

CITY OF KEENE, NEW HAMPSHIRE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

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CITY OF KEENE NEW HAMPSHIRE

Annual Comprehensive Financial Report

**For The Fiscal Year Ended
June 30, 2023**



**Prepared by:
The Finance Department**

**Merri E.B. Howe
Finance Director**

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**INTRODUCTORY
SECTION**

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City of Keene

New Hampshire

April 30, 2024

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Keene:

The Keene Finance Department is pleased to present the Annual Comprehensive Financial Report (ACFR) for the City of Keene, New Hampshire (the City) for the fiscal year ending June 30, 2023. This report is published to provide citizens, City Council, investors, and other interested parties with detailed information regarding the financial position of the City. Responsibility for the accuracy of the data, and the completeness and fairness of this report, including all disclosures and schedules, rests with management.

To the best of our knowledge and belief, the following data is accurate in all material respects and is reported in a manner designed to fairly present the City's financial position and changes in financial position of the various funds of the City. The accompanying disclosures are necessary to enable the reader to gain an understanding of the City's financial activities. This letter of transmittal is intended to complement and should be read in conjunction with Management's Discussion and Analysis (MD&A).

The City's financial statements and ACFR do not report on the funds of the Keene School District or the County of Cheshire. These governmental units are independent of the City and do not meet established reporting entity criteria for inclusion in this report.

General - Incorporated as a City in 1874, Keene, New Hampshire is located in southwestern New Hampshire in Cheshire County, 85 miles northwest of Boston, Massachusetts, 97 miles north of Hartford, Connecticut, and 100 miles northeast of Albany, New York. According to the 2020 Census, the population in the 37.1 square miles of land known as the City of Keene was 23,047. Four major highways, Routes 101, 12, 10, and 9, intersect at Keene, making it the hub of the region and also giving access to Interstates 91, 89, and 93.

The City provides governmental services including police, fire, ambulance, road and sidewalk maintenance, public health and welfare, code compliance, public library, and water and sewer. In addition, the City maintains 16 parks, 2 municipal pools, 9 recreational courts, cemeteries, and an airport.

Government – The City of Keene is governed by a mayor and 15-member council, five of whom are elected at large, with the Mayor presiding at all council meetings. The Mayor has no veto power over Council actions. Through the power defined in the City Charter, the City Council

appoints the Manager to serve as the chief executive officer of the City. Keene's City Charter defines the powers the citizens agree to give their City government, how the government is structured, and specifies the responsibilities of the City Manager. Under the Mayor/Council/Manager form of government adopted by Keene, the Mayor and Council establish policies for operations within the City, and it is the Manager's responsibility to ensure these policies are carried out. In general, the Manager supervises all property and business affairs of the City and oversees expenditure of all funds appropriated for City purposes.

Principal City Officials

Office	Name	Term Expires	2023 Standing Committee Assignment
Mayor	George S. Hansel	2023	N/A
Ward One Councilors	Kris E. Roberts	2025	Municipal Services, Facilities & Infrastructure Committee
	Raleigh C. Ormerod	2023	Planning, Licenses and Development Committee
Ward Two Councilors	Mitchell H. Greenwald	2025	Chair Municipal Services, Facilities & Infrastructure Committee
	Robert C. Williams	2023	Municipal Services, Facilities & Infrastructure Committee
Ward Three Councilors	Brian J. Lake	2023	Finance, Organization & Personnel Committee
	Andrew M. Madison	2025	Finance, Organization & Personnel Committee
Ward Four Councilors	Gladys Johnsen	2023	Planning, Licenses and Development Committee
	Catherine Workman	2025	Municipal Services, Facilities & Infrastructure Committee
Ward Five Councilors	Philip M. Jones	2025	Planning, Licenses and Development Committee
	Thomas F. Powers	2023	Chair Finance, Organization & Personnel Committee
At Large Councilors	Randy L. Filiault	2023	Vice Chair Municipal Services, Facilities & Infrastructure Committee
	Bettina A. Chadbourne	2023	Finance, Organization & Personnel Committee
	Kate M. Bosley	2023	Chair Planning, Licenses and Development Committee
	Michael J. Remy	2023	Vice Chair Finance, Organization & Personnel Committee
	Michael Giacomo	2023	Vice Chair Planning, Licenses and Development Committee

*Term expires on December 31 in year noted.

Appointed Administration

<u>Title</u>	<u>Name</u>
City Manager	Elizabeth A. Dragon
City Attorney	Thomas P. Mullins
City Clerk	Patricia A. Little
Finance Director/Treasurer	Merri E.B. Howe
Asst. Finance Director/Treasurer	Robert Constable

Local Economy – Nestled in the Monadnock region of New Hampshire is the City of Keene with a thriving robust downtown and miles of rail trail for hiking and biking. The local economy is built on a collaboration between the business community, local government and Keene State College. The downtown is not only beautiful and picturesque but will be undergoing development plans to enhance its appeal further with a focus on revitalizing Main Street and creating more vibrant

spaces for residents and visitors. Outdoor recreation and downtown events have doubled over the past few years: proof that the city is benefiting from economic growth. The ongoing review of residential districts as part of the Land Development Code highlights Keene's commitment to identify further housing opportunities. The City has worked to allow Accessory Dwelling Units on any property with a single-family home, reduced the minimum developable lot size in the Rural Zoning District, and encourages the redevelopment of infill lots in our neighborhoods. Additionally, the city's proactive approach to communication with its businesses and residents underscores the importance of involving the community in shaping the upcoming Comprehensive Master Plan, positioning the City for continued success and growth.

Below are a few examples of new and on-going projects:

- The Winchester Street upper and lower roadway project in Keene is nearing its final phase. This significant initiative aims to rehabilitate one of the major gateways into the City. With funding support from the State of New Hampshire, this project will yield several crucial benefits:
 - Enhanced Accessibility: By improving the roadways, better access points into the City of Keene will be created.
 - Economic Development: The upgraded road infrastructure will serve as a catalyst for economic growth.
 - Local Economy Boost: A well-connected and efficient transportation network directly impacts the local economy.%
- U-Haul continues the construction of a new 12,000 square foot warehouse space and rental showroom.
- Cheshire Medical Center continues work to retrofit 62 Maple Avenue for administrative space with a number of future opportunities at this 55-acre site.
- 310 Marlboro is undergoing renovations to create a truly mixed-use live/work space. The building owner received a \$3 million InvestNH grant to develop housing in the building that will include workforce-housing options. This is the first timber frame multi-unit in the state and takes advantage of recent changes in the state building code.
- A 12-lot residential development has received conditional approval on Whitcombs Mill Road.
- The historic Roosevelt School is being redeveloped in two phases. Construction on an 80 unit retrofit of the existing school should begin this year and the full development project with 120 units should be completed by the end of FY25.
- Ashbrook Plaza continues to see renovations and vacancies filled with a Dialysis provider, Old Navy, and 5 Below.
- A new \$750,000 4,875 sf building has been completed and filled with offices, restaurants, and 2 drive-thrus.
- EVS Metals is adding an additional 25,000 square feet of production space at the facility in Keene.
- Granite State Carwash is now under construction on West Street.

- 60 West Street 3-unit commercial space is now fully leased.
- A new building is being constructed on Gilbo Avenue that will house mixed uses of offices and residential dwelling units.

The City continues to be successful in competing for and receiving grants that have leveraged other investments:

- InvestNH passed \$45,000 of federal recovery dollars on to the City of Keene for the selection of a qualified firm(s) to develop a cluster housing floating zone, overlay zone, or the regulatory mechanism to encourage the development of cluster housing/"pocket neighborhoods."
- \$750,000 in federal CDBG funds of which \$716,000 is sub-granted to Monadnock Affordable Housing Corporation to support the rehabilitation and development of 30 rental units of affordable housing on the 2-acre site of the former Roosevelt School on 438 Washington Street.
- \$500,000 in federal CDBG funds for the acquisition and rehabilitation of a property in Keene to serve as a centralized facility for Monadnock Family Services (MFS).
- LWCF - \$900,000 in 2 block grants for the construction of Patricia T. Russell Park on the east side of Keene. Total project costs nearly \$3 million.
- InvestNH - \$117,000 for the demolition of a building on the future location of the Skate Park.
- LWCF-\$225,000 for the construction of the Skate Park in addition to \$217,000 in community donations and \$25,000 City of Keene contributions.

Financial Information – The City of Keene is responsible for the development of an accounting and internal control structure to ensure the safeguarding of City assets from loss, theft, and misuse and that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurances that these objectives are attained. In providing these reasonable assurances, it is recognized that the cost of control should not exceed the benefits and the valuation of costs and benefits requires management's judgment. Testing of the internal control procedures are part of the annual audit, though an audit opinion is not expressed; any deficiencies and material weaknesses are brought forward by the auditors to management.

Budget Process – The City has developed budgetary controls through the adoption of its fiscal policy to ensure compliance with legal provisions. The fiscal policy is adopted annually by the Council and it establishes and articulates the financial blueprint of the City. This policy mandates the budgets be presented balanced, adopted annually, and lapse at the end of the fiscal year. It also specifies the budget document provide multi-year projections of revenues and expenditures, taking into consideration of the City's policies on unassigned fund balance at the end of the fiscal year and General Fund debt service and current revenue capital outlay appropriations, return residual capital project funds to the originating fund, and limit property tax revenue increases.

Long-term Financial Planning – The City Manager and City staff prepare and present a Capital Improvement Program (CIP) spanning a period of seven years to the City Council for

consideration, amendment, and adoption. The focus of the CIP process is planning for our City's future. The foundation of that planning effort seeks to advance Comprehensive Master Plan (CMP) vision through its focus areas including; a quality-built environment, unique natural environment, a vibrant economy, strong citizenship and proactive leadership, a creative and learning culture, and healthy community.

Guided by fiscal policy, anticipated capital expenditures are identified in the seven-year CIP, bi-annually, which forecasts projects anticipated within that time period with an estimated cost in excess of \$35,000 and anticipated useful life of at least five years. Individual project requests are consolidated into a capital program combined with revenue and operating cost projections to provide estimated rate impacts. This capital planning process allows projects in its first year to be fully considered in context of the community's vision, values, and goals, along with impact on property taxes, water rates, and sewer rates. Following a review and public hearing process, the adopted program's first year is included in the next operating budget proposal as the capital budget.

The Capital Improvement Program is fluid and changes from time to time upon action of the City Council and is considered a planning document that does not serve to preclude advancement of a viable project not timely in the program schedule or identified within it. It does not bind any public body to undertaking any project but provides the City with a tool to identify and schedule needed improvements and is used to forecast and plan for the impact of those improvements.

Debt – Bonds and serial notes are authorized by a minimum of two-thirds vote of all City Council members.

Long term borrowing is used to finance projects that have a significant cost and are of a lasting nature. While projects are often bundled together into one annual sale in order to minimize bond issuance costs, the time over which the bonds are repaid (the term) varies based on the financed improvement's expected useful life.

The general debt limit of the City of Keene is 3% of "base valuation" determined annually by the State Department of Revenue Administration Board of Taxation. The School District's debt limit is 7% of the City's "base valuation," which is not counted in the computation of the City's 3% general limitation. Water and sewer projects undertaken by order of the Water Supply and Pollution Control, Division of the State Department of Environmental Service, are excluded from the measure of indebtedness as the debt is supported by grant and user fees. Non-compulsory water projects are subject to a debt limit of 10% of the "base valuation". Parking meters and facilities may have debt to an amount not exceeding ½ of one percent of the "base valuation" excluded from the general debt limit.

The "base valuation" for computing the debt limit consists of the City's equalized assessed valuation plus property formerly taxed by the City prior to enactment of the State Business Profits Tax Law all as determined annually by the State of New Hampshire Department of Revenue

Administration. For Keene, the “base valuation” for computing the debt limit is \$2,791,281,392 (fiscal year 2023).

Long-term debt outstanding from general obligation bonds as of June 30, 2023 totaled \$24,439,644 without premiums and the amount authorized and unissued totaled \$11,168,000.

Fund Balance – Fund balance represents the difference between current assets and liabilities and comprises non-spendable, restricted, committed, assigned, and unassigned amounts as specified in GASB 54. In the general fund, unassigned fund balance is a key indicator of the City’s ability to withstand and respond to fiscal challenges and opportunities. City fiscal policy establishes a target range of 7% to 10% of the total of the City’s General Fund budget, local, and state education taxes, and the county tax. The unassigned fund balance can be used to offset emergency expenditures, a downturn in collection of significant revenues, or other unforeseen events.

Retirement – Provision for the retirement of teachers and other municipal employees is handled via the New Hampshire Retirement System. The City of Keene currently has approximately 247 active and 68 retired members of the System and its predecessor programs.

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits, referred to as Other Post-Employment Benefits. The portion of the cost of such benefits paid by cities and towns is generally provided on a pay-as-you-go basis.

The Government Accounting Standards Board (GASB) promulgates its Statement No. 75, requiring for public entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These accounting standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger annual cost and liability accruals than if such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits.

The City indirectly provides post-employment health care for retired employees through an implicit rate covered by current year employees. Retirees of the City pay to participate in the City’s medical, prescription drug, mental health/substance abuse programs. Retirees contribute 100% of the cost of the health plan, as determined by the City. The City contributes its implicit rate subsidy of the health plan costs on a pay-as-you-go basis. The benefits, benefit levels, employee contributions and employer contributions are governed by RSA 100-A:50.

As of June 30, 2023, the City completed an actuarial valuation of its Post-Employment Benefits other than Pensions liability in accordance with GASB Statement 75. According to this report, the Total OPEB Liability was \$5,347,538 or 27.95% of covered payroll. As the City participates in the New Hampshire Retirement System, the City’s proportionate share of the medical subsidy was \$2,716,718 or 14.38% of covered payroll.

Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Keene for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022.

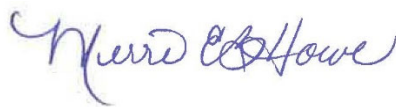
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

The Certificate of Achievement award is valid for a period of one year only. The City believes that its current ACFR continues to meet the Certificate of Achievement Program’s requirements and will submit it to the GFOA to determine its eligibility for another certificate.

Audits – The City employs an outside independent accounting firm, Marcum Accountants and Advisors, Merrimack, New Hampshire to audit the City’s operations annually. The audit is in accordance with generally accepted auditing standards.

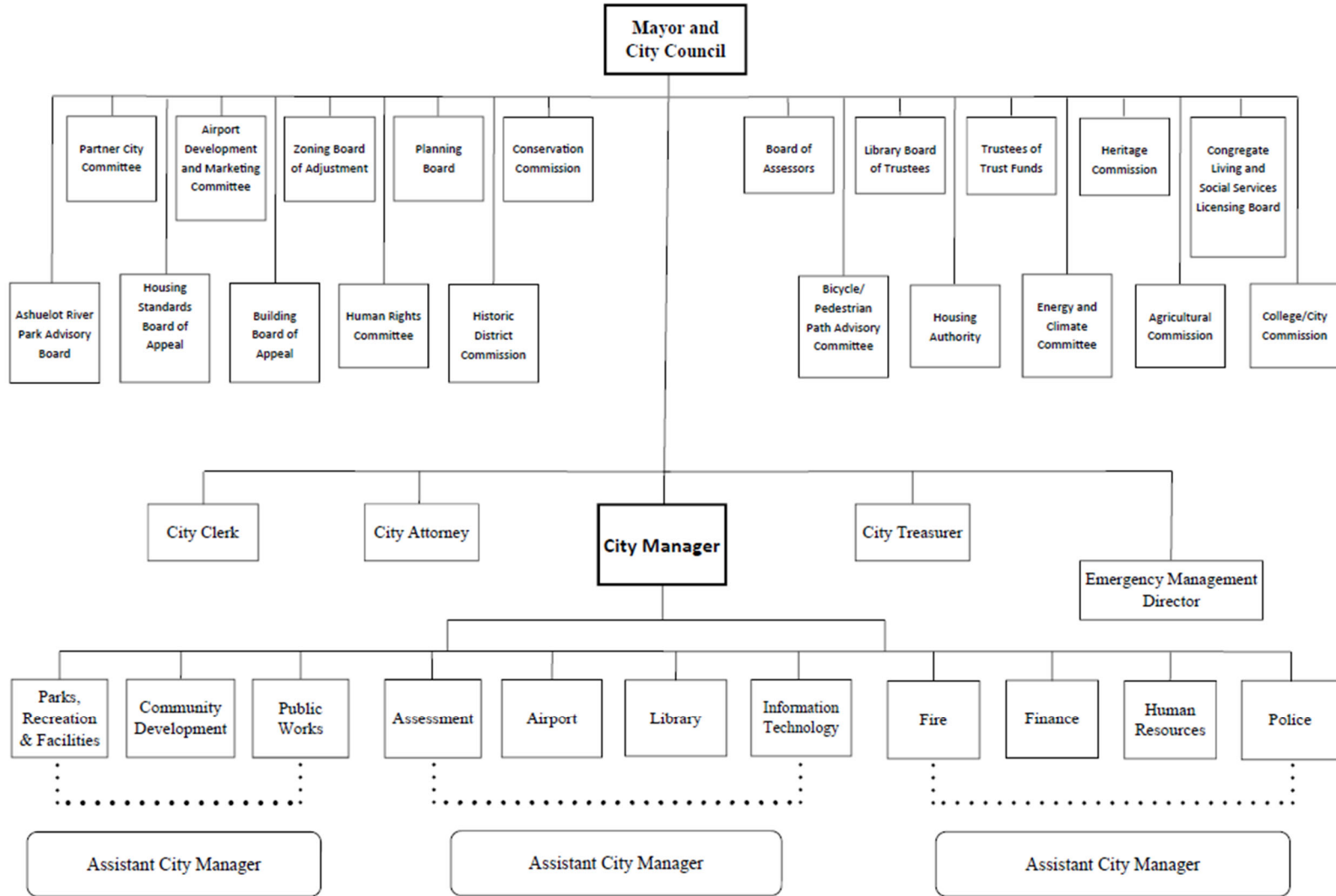
Thank you to the finance staff and all City departments for their cooperation and assistance in gathering the information contained in this report.

Respectfully submitted,

A handwritten signature in blue ink that reads "Merri E.B. Howe". The signature is written in a cursive style and is positioned to the left of a vertical yellow line.

Merri E.B. Howe
Finance Director

**City of Keene
Organizational Chart**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Keene
New Hampshire**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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**FINANCIAL
SECTION**



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Keene, New Hampshire

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Keene, New Hampshire (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Keene, New Hampshire, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the budgetary comparison for the General Fund and Solid Waste Fund, and certain pension and OPEB schedules be presented to supplement the basic financial

statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal

control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

Merrimack, NH
April 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Keene, New Hampshire (the City), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows and inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, public works, airport, library, community development, parks and facilities, and debt service interest. The business-type activities include water and sewer activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Reconciliations are provided to facilitate this comparison between governmental funds and governmental activities.

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Solid Waste Fund, and Capital Projects Fund. Information from all other governmental funds is combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The proprietary fund category includes enterprise and internal service funds.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account for water and sewer operations, which are considered to be major funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Specifically, internal service funds are used to account for the maintenance of certain City vehicles and equipment and replacement of personal computers (PCs). Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America, and other supplementary information.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$97,158,484, a change of \$11,703,071 in comparison to the prior year, and net position in business-type activities was \$67,556,627, a change of \$1,997,504 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$40,167,161, a change of \$(1,775,008) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,095,240, a change of \$805,329 in comparison to the prior year.

Government-Wide Financial Analysis

The following is a summary of condensed government-wide financial data for the current and prior fiscal year:

	<u>NET POSITION</u>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current and other assets	\$ 78,303,192	\$ 62,688,733	\$ 15,823,548	\$ 17,233,386	\$ 94,126,740	\$ 79,922,119
Capital assets	<u>110,193,871</u>	<u>102,475,599</u>	<u>65,412,075</u>	<u>64,134,659</u>	<u>175,605,946</u>	<u>166,610,258</u>
Total Assets	188,497,063	165,164,332	81,235,623	81,368,045	269,732,686	246,532,377
Deferred Outflows of Resources	9,255,317	8,660,390	1,388,954	1,293,255	10,644,271	9,953,645
Liabilities						
Current liabilities	16,617,789	15,258,191	2,196,828	2,631,114	18,814,617	17,889,305
Noncurrent liabilities	<u>58,956,745</u>	<u>54,803,420</u>	<u>12,581,416</u>	<u>12,961,144</u>	<u>71,538,161</u>	<u>67,764,564</u>
Total Liabilities	75,574,534	70,061,611	14,778,244	15,592,258	90,352,778	85,653,869
Deferred Inflows of Resources	25,019,362	18,307,698	289,706	1,509,919	25,309,068	19,817,617
Net Position						
Net investment in capital assets	93,676,792	84,468,726	57,858,814	55,727,114	151,535,606	140,195,840
Restricted	9,439,212	8,633,071	-	-	9,439,212	8,633,071
Unrestricted	<u>(5,957,520)</u>	<u>(7,646,384)</u>	<u>9,697,813</u>	<u>9,832,009</u>	<u>3,740,293</u>	<u>2,185,625</u>
Total Net Position	<u>\$ 97,158,484</u>	<u>\$ 85,455,413</u>	<u>\$ 67,556,627</u>	<u>\$ 65,559,123</u>	<u>\$ 164,715,111</u>	<u>\$ 151,014,536</u>

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. At the close of the most recent fiscal year, total net position was \$164,715,111, a change of \$13,700,575 in comparison to the prior year.

The largest portion of net position, \$151,535,606 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$9,439,212, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a surplus of \$3,740,293.

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program revenues:						
Charges for services	\$ 15,175,288	\$ 15,417,623	\$ 11,430,481	\$ 11,016,597	\$ 26,605,769	\$ 26,434,220
Operating grants and contributions	5,331,850	4,903,902	63,234	8,200	5,395,084	4,912,102
Capital grants and contributions	5,401,909	3,734,425	365,521	1,735,426	5,767,430	5,469,851
General revenues:						
Property taxes	28,253,616	26,913,743	-	-	28,253,616	26,913,743
Payment in lieu of taxes	1,124,908	1,114,363	-	-	1,124,908	1,114,363
Penalties and interest on taxes	268,300	310,650	-	-	268,300	310,650
Investment income (loss)	1,860,244	(622,230)	264,914	(220,699)	2,125,158	(842,929)
Miscellaneous	583,474	549,870	-	-	583,474	549,870
Total Revenues	<u>57,999,589</u>	<u>52,322,346</u>	<u>12,124,150</u>	<u>12,539,524</u>	<u>70,123,739</u>	<u>64,861,870</u>
Expenses						
General government	8,392,710	8,108,838	-	-	8,392,710	8,108,838
Public safety	17,284,288	16,508,376	-	-	17,284,288	16,508,376
Public works	10,653,218	9,470,615	-	-	10,653,218	9,470,615
Airport	1,388,252	1,481,211	-	-	1,388,252	1,481,211
Library	2,090,394	2,301,565	-	-	2,090,394	2,301,565
Community development	1,450,229	1,323,039	-	-	1,450,229	1,323,039
Parks and facilities	4,709,029	3,405,142	-	-	4,709,029	3,405,142
Interest	382,048	509,029	-	-	382,048	509,029
Water	-	-	3,945,900	3,692,765	3,945,900	3,692,765
Sewer	-	-	6,180,746	5,721,659	6,180,746	5,721,659
Total Expenses	<u>46,350,168</u>	<u>43,107,815</u>	<u>10,126,646</u>	<u>9,414,424</u>	<u>56,476,814</u>	<u>52,522,239</u>
Change in net position before transfers and permanent fund contributions	11,649,421	9,214,531	1,997,504	3,125,100	13,646,925	12,339,631
Transfers in (out)	-	9,361	-	-	-	9,361
Permanent fund contributions	53,650	29,716	-	-	53,650	29,716
Change in Net Position	<u>11,703,071</u>	<u>9,253,608</u>	<u>1,997,504</u>	<u>3,125,100</u>	<u>13,700,575</u>	<u>12,378,708</u>
Net Position - Beginning of Year	<u>85,455,413</u>	<u>76,201,805</u>	<u>65,559,123</u>	<u>62,434,023</u>	<u>151,014,536</u>	<u>138,635,828</u>
Net Position - End of Year	<u>\$ 97,158,484</u>	<u>\$ 85,455,413</u>	<u>\$ 67,556,627</u>	<u>\$ 65,559,123</u>	<u>\$ 164,715,111</u>	<u>\$ 151,014,536</u>

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$11,703,071 or 13.69%. The primary reasons for the positive change in net position are:

- Capital grants and contributions increased from the previous year by \$1,667,484. This was as a result of increase in federal grants, including new federal grants.
- Reported investment earnings were \$1,860,244 in fiscal year 2023 comparing to investment loss of \$622,230 in fiscal year 2022, a change of \$2,482,474. This was as a result of market downturn in fiscal year 2022.
- Property taxes increased \$1,339,873 from the previous year. This was primarily as a result of total assessed value increasing 0.7%.

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$1,997,504 or 3.05%. The primary reason for the change in net position relates to:

- Water and sewer usage increased. Additionally, water rates increased from \$5.06 in fiscal year 2022 to \$5.35 in fiscal year 2023.
- Reported investment earnings were \$264,914 in fiscal year 2023 comparing to investment loss of \$220,699 in fiscal year 2022, a change of \$485,613. This was as a result of market downturn in fiscal year 2022.

Financial Analysis of the City’s Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$40,167,161, a change of \$(1,775,008) in comparison to the prior year. Key elements of this change are as follows:

General Fund operations (prior to transfers)	\$	3,624,496
Solid Waste Fund operations		174,356
Capital Project Fund expenditures in excess of revenues		(7,738,532)
Nonmajor governmental funds revenues in excess of expenditures		1,987,108
Other		<u>177,564</u>
Total	\$	<u><u>(1,775,008)</u></u>

General Fund

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$17,095,240, while total fund balance was \$27,186,944. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total General Fund tax levy. Refer to the following table:

<u>General Fund</u>	<u>6/30/23</u>	<u>6/30/22</u>	<u>Change</u>	<u>% of Total General Fund Tax Levy</u>
Unassigned fund balance	\$ 17,095,240	\$ 16,289,911	\$ 805,329	19.7%
Total fund balance	\$ 27,186,944	\$ 25,362,777	\$ 1,824,167	31.3%

The unassigned fund balance of the General Fund changed by \$805,329 which was primarily driven by positive budgetary results and close out of the prior year nonspendable fund balance.

The total fund balance of the General Fund changed by \$1,824,167 during the current fiscal year. Key factors in this change are as follows:

Use of fund balance as a funding source	\$ (1,860,612)
Revenues in excess of budget	1,442,660
Expenditures less than budget	2,104,300
Transfers less than budget	(633,902)
Change in capital reserves	1,547,403
Prior year carryforwards exceeding current year	(758,220)
Other	<u>(442,041)</u>
Total	<u>\$ 1,399,588</u>

The change in capital reserves is the net result of the City’s practice of annually appropriating funds to be added to various capital reserves and subsequently voting to use the funds for projects/purchases.

Included in the total fund balance of the General Fund are the City’s capital reserves with the following committed balances:

	<u>6/30/23</u>	<u>6/30/22</u>	<u>Change</u>
Downtown Infrastructure and Facility	\$ 1,810,646	\$ 1,805,734	\$ 4,912
Bridges	1,371,844	978,336	393,508
Fire Equipment	692,307	395,182	297,125
Road and Sidewalk Infrastructure	775,791	764,530	11,261
Transfer/Recycle Facility	404,144	276,554	127,590
Transportation Improvements	416,633	480,121	(63,488)
Parks and Facilities Infrastructure	539,360	-	539,360
Other Capital Reserves	<u>938,915</u>	<u>701,780</u>	<u>237,135</u>
Total	<u>\$ 6,949,640</u>	<u>\$ 5,402,237</u>	<u>\$ 1,547,403</u>

Solid Waste Fund

The Solid Waste Fund reports a small increase in fund balance due to an increase in investment income and keeping costs stable.

Capital Projects Fund

The Capital Projects Fund had a change in fund balance of \$(4,579,672). This change is driven by capital projects expenditures that were funded by borrowing in previous fiscal years.

Nonmajor Governmental Funds

The fund balance of nonmajor funds changed by \$806,141 primarily from timing differences between the receipt and disbursement of grants and permanent financing of capital projects.

Proprietary Funds

Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$9,697,813, a change of \$(134,196) in comparison to the prior year.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

General Fund Budgetary Highlights

There were no differences between the original budget and the final amended budget.

Capital Assets and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$175,605,946 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, vehicles and equipment, and infrastructure.

Major capital assets events during the current fiscal year included the following:

- State By-Pass Winchester Street project
- Patricia Russell Park project
- Municipal roof improvements
- Salt shed repair project

- Network equipment and phone system replacements
- Various ongoing infrastructure improvements

Additional information on capital assets can be found in Note 11.

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$25,095,845 (inclusive of bond premiums), all of which was backed by the full faith and credit of the City.

Credit Rating – The City maintains an “AA” rating from Standard & Poor’s for general obligation debt.

Additional information on long-term debt can be found in Note 16.

Economic Factors and Next Year’s Budgets and Rates

COVID 19, inflation and the shortage of staff did leave its fingerprints on Keene, but this community is resilient, forward thinking and works together to keep our businesses as well as expand them. Receipts for parking meters show that Main Street is very busy and this year we have permitted 18 separate events on Main Street. Keene continues to see a steady flow of permits for new commercial and residential projects. This year we are initiating a comprehensive revision to the community’s Comprehensive Master Plan. This follows our work to allow Accessory Dwelling Units on any property with a single-family home, a reduction in the minimum developable lot size in our Rural zoning district, and our effort to encourage the redevelopment of infill lots in our denser neighborhoods.

In the fiscal year 2023, our city experienced a 2.2% unemployment rate, which, while slightly higher than the state average, remains commendably below the federal rate. While low unemployment rates have a positive impact on the economic outlook for the City, it also indicates a decrease in the labor market making it challenging for local businesses to hire new or additional staff. This also impacted the City with many unfilled positions, particularly in the public safety departments. The City of Keene averaged 8 vacancies in FY 2023 in the police department contributing to the \$503,429 positive budget variance.

Using revenue collections as a gage on economic strength, the City of Keene has demonstrated robust financial health. Property tax collections, as of June 30, 2023, reached an impressive 98.5%. Additionally, motor vehicle registration revenues remain strong, exceeding the previous year’s figures, signaling sustained economic activity. Recreation and library programs and activities have rebounded to nearly pre-pandemic numbers and building permits and revenue remain steady with the previous year.

Below is a summary of revenue functions that far exceeded expectations in fiscal year 2023:

- Charges for Services - \$48,434 increase in Ambulance Service and \$44,001 increase in Public Works reimbursements from other City funds and the local school district
- Other Revenue – Substantial increase in interest earning in the amount of \$795,325 over budget due to the increase in interest rates
- Intergovernmental – Increase in funds received from the State of New Hampshire in the amount of \$414,152
- Licenses and Permits - \$223,371 due to the increase in Motor Vehicle Registrations of \$131,114 and Building Permits of \$73,999

As the City looks towards the future, it is essential to consider historical trends and anticipate economic shifts. The City Council annually reviews and updates fiscal policies, ensuring alignment with the current economic climate. Notably, the use of a rolling 3-year average based on the Boston-Cambridge-Newton Consumer Price Index serves as a prudent measure. This approach limits property tax increases, ensuring they remain commensurate with overall inflation experienced by the taxpayers. By striking this sensitive balance between economic realities and community needs, the City can continue to move forward and prepare for the future while safeguarding financial stability for our residents.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Finance Director
City of Keene
3 Washington Street
Keene, New Hampshire 03431

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BASIC FINANCIAL STATEMENTS

CITY OF KEENE, NEW HAMPSHIRE

STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets			
Current:			
Cash and short-term investments	\$ 58,641,311	\$ 1,305,356	\$ 59,946,667
Investments	12,878,695	8,731,831	21,610,526
Receivables, net of allowance for uncollectibles:			
Property taxes	997,048	-	997,048
User fees	-	4,237,726	4,237,726
Accounts receivable	1,370,326	17,863	1,388,189
Notes receivable	16,530	366,814	383,344
Intergovernmental	1,919,969	2,374	1,922,343
Leases receivable	50,174	-	50,174
Internal balances	334,396	(334,396)	-
Prepaid items	228,335	-	228,335
Inventory	<u>357,821</u>	<u>298,260</u>	<u>656,081</u>
Total current assets	76,794,605	14,625,828	91,420,433
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	966,001	-	966,001
Leases receivable, net of current portion	432,588	-	432,588
Notes receivable, net of current portion	109,998	1,197,720	1,307,718
Capital assets:			
Capital assets, net of accumulated depreciation	65,714,442	53,375,910	119,090,352
Land and construction in progress	<u>44,479,429</u>	<u>12,036,165</u>	<u>56,515,594</u>
Total noncurrent assets	<u>111,702,458</u>	<u>66,609,795</u>	<u>178,312,253</u>
Total Assets	188,497,063	81,235,623	269,732,686
Deferred Outflows of Resources			
Related to pension	7,823,794	1,198,879	9,022,673
Related to OPEB	1,359,214	172,352	1,531,566
Related to loss on refunding bonds	<u>72,309</u>	<u>17,723</u>	<u>90,032</u>
Total Deferred Outflows of Resources	9,255,317	1,388,954	10,644,271
Liabilities			
Current:			
Accounts payable	3,640,728	509,586	4,150,314
Accrued liabilities	367,396	51,899	419,295
Payroll withholdings	3,730,672	-	3,730,672
Tax refunds payable	2,550,517	-	2,550,517
Unearned revenue	1,737,504	-	1,737,504
Other current liabilities	1,048,950	46,723	1,095,673
Current portion of long-term liabilities:			
Bonds payable	2,753,687	1,536,224	4,289,911
Tax increment financing bonds payable	207,000	-	207,000
Other liabilities	367,058	26,673	393,731
Total/Net OPEB liability	<u>214,277</u>	<u>25,723</u>	<u>240,000</u>
Total current liabilities	16,617,789	2,196,828	18,814,617
Noncurrent:			
Bonds payable, net of current portion	12,889,703	6,136,231	19,025,934
Tax increment financing bonds payable, net of current portion	1,573,000	-	1,573,000
Other liabilities, net of current portion	3,012,208	240,065	3,252,273
Net pension liability	34,565,978	5,296,720	39,862,698
Total/Net OPEB liability, net of current portion	<u>6,915,856</u>	<u>908,400</u>	<u>7,824,256</u>
Total noncurrent liabilities	<u>58,956,745</u>	<u>12,581,416</u>	<u>71,538,161</u>
Total Liabilities	75,574,534	14,778,244	90,352,778
Deferred Inflows of Resources			
Related to pension	624,799	95,741	720,540
Related to OPEB	897,048	107,685	1,004,733
Related to leases	482,762	-	482,762
Related to taxes	22,958,603	-	22,958,603
Other	<u>56,150</u>	<u>86,280</u>	<u>142,430</u>
Total Deferred Inflows of Resources	25,019,362	289,706	25,309,068
Net Position			
Net investment in capital assets	93,676,792	57,858,814	151,535,606
Restricted for:			
Grants and other statutory restrictions	1,994,191	-	1,994,191
Permanent funds:			
Nonexpendable	7,071,850	-	7,071,850
Expendable	373,171	-	373,171
Unrestricted	<u>(5,957,520)</u>	<u>9,697,813</u>	<u>3,740,293</u>
Total Net Position	\$ <u>97,158,484</u>	\$ <u>67,556,627</u>	\$ <u>164,715,111</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
General government	\$ 8,392,710	\$ 5,039,359	\$ 3,614,520	\$ -	\$ 261,169	\$ -	\$ 261,169
Public safety	17,284,288	2,952,044	1,458,965	-	(12,873,279)	-	(12,873,279)
Public works	10,653,218	6,170,917	125,449	5,171,254	814,402	-	814,402
Airport	1,388,252	506,085	10,445	230,655	(641,067)	-	(641,067)
Library	2,090,394	32,920	94,927	-	(1,962,547)	-	(1,962,547)
Community development	1,450,229	60,433	-	-	(1,389,796)	-	(1,389,796)
Parks and facilities	4,709,029	413,530	27,544	-	(4,267,955)	-	(4,267,955)
Interest	<u>382,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(382,048)</u>	<u>-</u>	<u>(382,048)</u>
Total Governmental Activities	46,350,168	15,175,288	5,331,850	5,401,909	(20,441,121)	-	(20,441,121)
Business-Type Activities							
Water	3,945,900	5,224,294	63,234	-	-	1,341,628	1,341,628
Sewer	<u>6,180,746</u>	<u>6,206,187</u>	<u>-</u>	<u>365,521</u>	<u>-</u>	<u>390,962</u>	<u>390,962</u>
Total Business-Type Activities	<u>10,126,646</u>	<u>11,430,481</u>	<u>63,234</u>	<u>365,521</u>	<u>-</u>	<u>1,732,590</u>	<u>1,732,590</u>
Total	<u>\$ 56,476,814</u>	<u>\$ 26,605,769</u>	<u>\$ 5,395,084</u>	<u>\$ 5,767,430</u>	(20,441,121)	1,732,590	(18,708,531)
General Revenues and Contributions							
					28,253,616	-	28,253,616
					1,124,908	-	1,124,908
					268,300	-	268,300
					1,860,244	264,914	2,125,158
					583,474	-	583,474
					<u>53,650</u>	<u>-</u>	<u>53,650</u>
Total general revenues and contributions					<u>32,144,192</u>	<u>264,914</u>	<u>32,409,106</u>
Change in Net Position					11,703,071	1,997,504	13,700,575
Net Position							
Beginning of year					<u>85,455,413</u>	<u>65,559,123</u>	<u>151,014,536</u>
End of year					<u>\$ 97,158,484</u>	<u>\$ 67,556,627</u>	<u>\$ 164,715,111</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2023

	General <u>Fund</u>	Solid Waste <u>Fund</u>	Capital Projects <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assets					
Cash and short-term investments	\$ 50,312,563	\$ 2,573,835	\$ 711,623	\$ 3,683,208	\$ 57,281,229
Investments	4,701,094	-	-	7,273,173	11,974,267
Receivables:					
Property taxes, net	1,963,049	-	-	-	1,963,049
Accounts receivable, net	589,934	659,739	11,433	98,759	1,359,865
Intergovernmental	-	-	1,591,481	328,488	1,919,969
Leases receivable	482,762	-	-	-	482,762
Due from other funds	334,396	-	-	-	334,396
Advance to other funds	-	344,680	-	-	344,680
Prepaid items	228,335	-	-	-	228,335
Total Assets	\$ <u>58,612,133</u>	\$ <u>3,578,254</u>	\$ <u>2,314,537</u>	\$ <u>11,383,628</u>	\$ <u>75,888,552</u>
Liabilities					
Accounts payable	\$ 1,068,445	\$ 354,890	\$ 1,978,070	\$ 194,733	\$ 3,596,138
Accrued liabilities	179,380	16,888	1,938	12,179	210,385
Payroll withholdings	3,730,672	-	-	-	3,730,672
Advance from other funds	344,680	-	-	-	344,680
Unearned revenue	-	-	-	1,737,504	1,737,504
Other liabilities	1,048,950	-	-	-	1,048,950
Total Liabilities	6,372,127	371,778	1,980,008	1,944,416	10,668,329
Deferred Inflows of Resources					
Unavailable revenues	1,591,202	-	-	-	1,591,202
Taxes collected in advance	22,979,098	-	-	-	22,979,098
Related to leases	482,762	-	-	-	482,762
Total Deferred Inflows of Resources	25,053,062	-	-	-	25,053,062
Fund Balances					
Nonspendable	228,335	-	-	7,071,850	7,300,185
Restricted	-	-	2,096,109	2,367,362	4,463,471
Committed	8,899,052	3,206,476	1,448,962	-	13,554,490
Assigned	964,317	-	-	-	964,317
Unassigned	17,095,240	-	(3,210,542)	-	13,884,698
Total Fund Balances	27,186,944	3,206,476	334,529	9,439,212	40,167,161
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>58,612,133</u>	\$ <u>3,578,254</u>	\$ <u>2,314,537</u>	\$ <u>11,383,628</u>	\$ <u>75,888,552</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2023

Total Governmental Fund Balances	\$	40,167,161
<ul style="list-style-type: none"> • Capital assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds. 		107,278,950
<ul style="list-style-type: none"> • Deferred outflows of resources are the consumption of net position applicable to future reporting periods, and therefore, are not reported in governmental funds: <ul style="list-style-type: none"> Related to pension Related to OPEB Losses on refunding bonds 		7,823,794 1,359,214 72,309
<ul style="list-style-type: none"> • Revenues are reported on the accrual basis of accounting and are not deferred until collection. 		1,591,202
<ul style="list-style-type: none"> • Long-term notes receivable not due in the current period are not reported in governmental funds. 		126,528
<ul style="list-style-type: none"> • Tax refunds payable not due and payable in the current period, and therefore, are not reported in governmental funds. 		(2,550,517)
<ul style="list-style-type: none"> • Internal service funds are used to account for the financing of services provided by one department to other departments of the City. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position. 		5,399,407
<ul style="list-style-type: none"> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 		(144,371)
<ul style="list-style-type: none"> • Long-term liabilities are not due and payable in the current period, and therefore, are not reported in governmental funds: <ul style="list-style-type: none"> Bonds payable Tax increment financing bonds payable Net pension liability Total/Net OPEB liability Other long-term liabilities (compensated absences and landfill liability) 		(15,643,390) (1,780,000) (34,565,978) (7,130,133) (3,288,190)
<ul style="list-style-type: none"> • Deferred inflows of resources are the acquisition of net position applicable to future reporting periods, and therefore, are not reported in governmental funds: <ul style="list-style-type: none"> Related to pension Related to OPEB Gains on refunding bonds 		(624,799) (897,048) <u>(35,655)</u>
Net Position of Governmental Activities	\$	<u>97,158,484</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Solid Waste Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 29,170,256	\$ -	\$ -	\$ 195,489	\$ 29,365,745
Charges for services	3,517,382	5,213,403	-	1,431,666	10,162,451
Intergovernmental	4,011,281	365	4,494,712	2,088,016	10,594,374
Licenses and permits	4,197,238	57,873	-	52,116	4,307,227
Investment income	1,008,963	143,037	-	634,070	1,786,070
Contributions	-	-	89,053	120,715	209,768
Miscellaneous	<u>238,535</u>	<u>4,856</u>	<u>58,824</u>	<u>253,807</u>	<u>556,022</u>
Total Revenues	42,143,655	5,419,534	4,642,589	4,775,879	56,981,657
Expenditures					
General government	8,202,196	-	-	802,294	9,004,490
Public safety	15,995,611	-	-	1,580,985	17,576,596
Public works	2,920,609	5,010,214	-	-	7,930,823
Airport	590,242	-	-	-	590,242
Library	1,606,345	-	-	146,873	1,753,218
Community development	1,447,702	-	-	-	1,447,702
Parks and facilities	4,001,957	-	-	142,651	4,144,608
Debt service:					
Principal	3,207,734	45,000	-	105,000	3,357,734
Interest	546,763	12,400	-	10,968	570,131
Capital outlay	<u>-</u>	<u>-</u>	<u>12,381,121</u>	<u>-</u>	<u>12,381,121</u>
Total Expenditures	<u>38,519,159</u>	<u>5,067,614</u>	<u>12,381,121</u>	<u>2,788,771</u>	<u>58,756,665</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,624,496	351,920	(7,738,532)	1,987,108	(1,775,008)
Other Financing Sources (Uses)					
Transfers in	242,545	-	3,158,860	59,200	3,460,605
Transfers out	<u>(2,042,874)</u>	<u>(177,564)</u>	<u>-</u>	<u>(1,240,167)</u>	<u>(3,460,605)</u>
Total Other Financing Sources (Uses)	<u>(1,800,329)</u>	<u>(177,564)</u>	<u>3,158,860</u>	<u>(1,180,967)</u>	<u>-</u>
Change in Fund Balance	1,824,167	174,356	(4,579,672)	806,141	(1,775,008)
Fund Balances at Beginning of Year	<u>25,362,777</u>	<u>3,032,120</u>	<u>4,914,201</u>	<u>8,633,071</u>	<u>41,942,169</u>
Fund Balances at End of Year	\$ <u>27,186,944</u>	\$ <u>3,206,476</u>	\$ <u>334,529</u>	\$ <u>9,439,212</u>	\$ <u>40,167,161</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

Net Changes in Fund Balances - Total Governmental Funds	\$ (1,775,008)																								
<ul style="list-style-type: none"> • Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Capital outlay</td> <td style="text-align: right;">11,984,276</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(3,989,688)</td> </tr> </table> • The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Repayments of general obligation and tax increment financing bonds</td> <td style="text-align: right;">3,357,735</td> </tr> </table> • Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (e.g., property taxes) differ between the two statements. This amount represents the net change in unavailable revenues. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">264,344</td> </tr> </table> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">29,286</td> </tr> </table> • Some expenses reported in the Statement of Activities, do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Bond premium amortization</td> <td style="text-align: right;">174,202</td> </tr> <tr> <td>Amortization of gain on prior years refunding bonds</td> <td style="text-align: right;">11,884</td> </tr> <tr> <td>Amortization of loss on prior years refunding bonds</td> <td style="text-align: right;">(27,290)</td> </tr> <tr> <td>Net pension liability and related deferred outflows and inflows of resources</td> <td style="text-align: right;">522,660</td> </tr> <tr> <td>Net OPEB liability and related deferred outflows and inflows of resources</td> <td style="text-align: right;">591,777</td> </tr> <tr> <td>Other (compensated absences and landfill liability)</td> <td style="text-align: right;">218,091</td> </tr> </table> • Internal service funds are used by management to charge the cost of certain activities to individual funds. The net activity of internal service funds is reported with governmental activities. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right; border-top: 1px solid black;">340,802</td> </tr> </table> 		Capital outlay	11,984,276	Depreciation	(3,989,688)	Repayments of general obligation and tax increment financing bonds	3,357,735		264,344		29,286	Bond premium amortization	174,202	Amortization of gain on prior years refunding bonds	11,884	Amortization of loss on prior years refunding bonds	(27,290)	Net pension liability and related deferred outflows and inflows of resources	522,660	Net OPEB liability and related deferred outflows and inflows of resources	591,777	Other (compensated absences and landfill liability)	218,091		340,802
Capital outlay	11,984,276																								
Depreciation	(3,989,688)																								
Repayments of general obligation and tax increment financing bonds	3,357,735																								
	264,344																								
	29,286																								
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Other (compensated absences and landfill liability)	218,091																								
	340,802																								
Change in Net Position of Governmental Activities	\$ <u>11,703,071</u>																								

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2023

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Assets				
Current:				
Cash and short-term investments	\$ 1,305,356	\$ -	\$ 1,305,356	\$ 1,360,082
Investments	3,000,767	5,731,064	8,731,831	904,428
Receivables, net of allowance for uncollectibles				
User fees	2,041,086	2,196,640	4,237,726	-
Accounts receivable	-	17,863	17,863	10,461
Notes receivable	3,137	363,677	366,814	-
Intergovernmental	-	2,374	2,374	-
Inventory	<u>159,064</u>	<u>139,196</u>	<u>298,260</u>	<u>357,821</u>
Total current assets	6,509,410	8,450,814	14,960,224	2,632,792
Noncurrent:				
Notes receivables, net of current portion	59,597	1,138,123	1,197,720	-
Capital assets:				
Land and construction in progress	4,598,800	7,437,365	12,036,165	-
Capital assets, net of accumulated depreciation	<u>25,538,364</u>	<u>27,837,546</u>	<u>53,375,910</u>	<u>2,914,921</u>
Total noncurrent assets	<u>30,196,761</u>	<u>36,413,034</u>	<u>66,609,795</u>	<u>2,914,921</u>
Total Assets	36,706,171	44,863,848	81,570,019	5,547,713
Deferred Outflows of Resources				
Related to pension	533,703	665,176	1,198,879	-
Related to OPEB	76,330	96,022	172,352	-
Other	<u>-</u>	<u>17,723</u>	<u>17,723</u>	<u>-</u>
Total Deferred Outflows of Resources	610,033	778,921	1,388,954	-
Liabilities				
Current:				
Accounts payable	103,352	406,234	509,586	44,590
Accrued liabilities	22,696	29,203	51,899	12,640
Due to other funds	-	334,396	334,396	-
Other current liabilities	11,970	34,753	46,723	-
Current portion of long-term liabilities:				
Bonds payable	160,000	1,376,224	1,536,224	-
Compensated absences	10,108	16,565	26,673	9,108
Total/Net OPEB liability	<u>11,373</u>	<u>14,350</u>	<u>25,723</u>	<u>-</u>
Total current liabilities	319,499	2,211,725	2,531,224	66,338
Noncurrent:				
Bonds payable, net of current portion	1,915,000	4,221,231	6,136,231	-
Compensated absences, net of current portion	90,976	149,089	240,065	81,968
Net pension liability	2,357,932	2,938,788	5,296,720	-
Total/Net OPEB liability, net of current portion	<u>402,724</u>	<u>505,676</u>	<u>908,400</u>	<u>-</u>
Total noncurrent liabilities	<u>4,766,632</u>	<u>7,814,784</u>	<u>12,581,416</u>	<u>81,968</u>
Total Liabilities	5,086,131	10,026,509	15,112,640	148,306
Deferred Inflows of Resources				
Related to pension	42,621	53,120	95,741	-
Related to OPEB	47,610	60,075	107,685	-
Other	<u>63,524</u>	<u>22,756</u>	<u>86,280</u>	<u>-</u>
Total Deferred Inflows of Resources	153,755	135,951	289,706	-
Net Position				
Net investment in capital assets	28,062,164	29,796,650	57,858,814	2,850,072
Unrestricted	<u>4,014,154</u>	<u>5,683,659</u>	<u>9,697,813</u>	<u>2,549,335</u>
Total Net Position	\$ <u>32,076,318</u>	\$ <u>35,480,309</u>	\$ <u>67,556,627</u>	\$ <u>5,399,407</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Operating Revenues				
Charges for services	\$ 5,224,294	\$ 6,206,187	\$ 11,430,481	\$ 2,998,371
Other	-	-	-	27,456
Total Operating Revenues	5,224,294	6,206,187	11,430,481	3,025,827
Operating Expenses				
Salaries and benefits	1,563,467	2,156,354	3,719,821	940,382
Other operating expenses	1,332,174	2,510,832	3,843,006	1,314,102
Depreciation	1,004,448	1,358,606	2,363,054	504,714
Total Operating Expenses	3,900,089	6,025,792	9,925,881	2,759,198
Operating Income	1,324,205	180,395	1,504,600	266,629
Nonoperating Revenues (Expenses)				
Intergovernmental revenue	63,234	-	63,234	-
Investment income	107,748	157,166	264,914	74,173
Interest expense	(45,811)	(154,954)	(200,765)	-
Total Nonoperating Revenues (Expenses), Net	125,171	2,212	127,383	74,173
Income Before Contributions	1,449,376	182,607	1,631,983	340,802
Capital contributions	-	365,521	365,521	-
Change in Net Position	1,449,376	548,128	1,997,504	340,802
Net Position at Beginning of Year	30,626,942	34,932,181	65,559,123	5,058,605
Net Position at End of Year	\$ 32,076,318	\$ 35,480,309	\$ 67,556,627	\$ 5,399,407

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 4,997,896	\$ 6,189,029	\$ 11,186,925	\$ 3,022,391
Payments to vendors	(1,394,927)	(2,719,328)	(4,114,255)	(1,388,481)
Payments to employees for salaries and benefits	<u>(1,651,657)</u>	<u>(2,205,676)</u>	<u>(3,857,333)</u>	<u>(921,997)</u>
Net Cash Provided By Operating Activities	1,951,312	1,264,025	3,215,337	711,913
Cash Flows From Noncapital Financing Activities				
Proceeds from interfund loan agreements	<u>-</u>	<u>334,396</u>	<u>334,396</u>	<u>-</u>
Net Cash Provided By Noncapital Financing Activities	-	334,396	334,396	-
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	(822,979)	(2,817,492)	(3,640,471)	(228,398)
Principal payments on bonds	(234,929)	(1,490,723)	(1,725,652)	-
Interest expense	(47,961)	(165,882)	(213,843)	-
Capital contributions	<u>-</u>	<u>689,363</u>	<u>689,363</u>	<u>-</u>
Net Cash Used For Capital and Related Financing Activities	(1,105,869)	(3,784,734)	(4,890,603)	(228,398)
Cash Flows From Investing Activities				
Purchase of investments	(385,622)	(198,741)	(584,363)	(224,590)
Investment income	<u>107,748</u>	<u>157,166</u>	<u>264,914</u>	<u>74,173</u>
Net Cash Used For Investing Activities	<u>(277,874)</u>	<u>(41,575)</u>	<u>(319,449)</u>	<u>(150,417)</u>
Net Change in Cash and Short-Term Investments	567,569	(2,227,888)	(1,660,319)	333,098
Cash and Short-Term Investments, Beginning of Year	<u>737,787</u>	<u>2,227,888</u>	<u>2,965,675</u>	<u>1,026,984</u>
Cash and Short-Term Investments, End of Year	\$ <u>1,305,356</u>	\$ <u>-</u>	\$ <u>1,305,356</u>	\$ <u>1,360,082</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$ 1,324,205	\$ 180,395	\$ 1,504,600	\$ 266,629
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,004,448	1,358,606	2,363,054	504,714
Changes in assets, liabilities, and deferred outflows/inflows:				
User fees receivable	(241,592)	(9,572)	(251,164)	(3,436)
Inventory	8,121	(18,078)	(9,957)	(57,516)
Deferred outflows - related to pension	(54,454)	(67,869)	(122,323)	-
Deferred outflows - related to OPEB	9,153	11,563	20,716	-
Deferred outflows - other	-	5,908	5,908	-
Accounts payable	(70,874)	(196,326)	(267,200)	(16,863)
Accrued liabilities	(6,347)	34,222	27,875	18,385
Net pension liability	564,422	703,463	1,267,885	-
Total/Net OPEB liability	(39,148)	(49,474)	(88,622)	-
Deferred inflows - related to pension	(545,621)	(680,030)	(1,225,651)	-
Deferred inflows - related to OPEB	(973)	(1,197)	(2,170)	-
Deferred inflows - other	<u>(28)</u>	<u>(7,586)</u>	<u>(7,614)</u>	<u>-</u>
Net Cash Provided By Operating Activities	\$ <u>1,951,312</u>	\$ <u>1,264,025</u>	\$ <u>3,215,337</u>	\$ <u>711,913</u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Private Purpose Trust <u>Funds</u>	Custodial <u>Fund</u>
Assets		
Investments:		
Corporate equities	\$ <u>4,717,342</u>	\$ <u>-</u>
Total Investments	<u>4,717,342</u>	<u>-</u>
Total Assets	4,717,342	-
Net Position		
Restricted for individuals, organizations, and other governments	\$ <u><u>4,717,342</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Private Purpose Trust Funds</u>	<u>Custodial Fund</u>
Additions		
Property taxes collected for school districts	\$ -	\$ 31,907,557
Property taxes collected for the County of Cheshire	-	6,945,184
Investment income	<u>346,801</u>	<u>-</u>
Total Additions	346,801	38,852,741
Deductions		
Payments of taxes to school districts	-	31,907,557
Payment of taxes to the County of Cheshire	-	6,945,184
Payments to beneficiaries	<u>83,348</u>	<u>-</u>
Total Deductions	<u>83,348</u>	<u>38,852,741</u>
Change in Net Position	263,453	-
Restricted Net Position		
Beginning of year	<u>4,453,889</u>	<u>-</u>
End of year	\$ <u><u>4,717,342</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF KEENE, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of Keene, New Hampshire (the City) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental and financial reporting principles. The following is a summary of the significant policies of the City.

Reporting Entity

The City is a municipal corporation governed by a Mayor/City Council/Manager form of government. As required by GAAP, these financial statements present the City and applicable component units for which the City is considered to be financially accountable. In fiscal year 2023, it was determined that no entities met the component unit requirements of GASB 14 (as amended).

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Solid Waste Fund* accounts for the activities of the transfer and recycling operations and for post-closure costs associated with the landfill. Funding is primarily from tipping fees and recycling fees.
- The *Capital Projects Fund* accounts for the activity pertaining to various construction/renovation projects and the purchase of vehicles and equipment of the City.

The proprietary fund financial statements are reported using the economic resources *measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of an enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary funds:

- The *Water Fund* accounts for the operations, maintenance, and capital outlay needs of the water treatment and distribution systems.
- The *Sewer Fund* accounts for the operations, maintenance, and capital outlay needs of the sewer collection and treatment systems.

Internal Service Funds are used to account for services provided by one department to other departments of the City on a cost-reimbursement basis. The City reports two internal service funds, for fleet maintenance and computer replacements.

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The City reports the following fiduciary funds:

- The *Private Purpose Trust Funds* are used to account for trust arrangements, other than those properly reported in a permanent fund, under which principal and investment income exclusively benefit individuals and private organizations.
- The *Custodial Fund* accounts for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements. The custodial fund includes taxes and fees collected on behalf of other governments.

Cash and Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. Generally, a cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the financial statements under the caption "cash and short-term investments."

For purpose of the Statement of Cash Flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

Investments, generally, are presented at fair value (except certificates of deposit which are reported at cost). Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using net asset value (NAV). The NAV per share is the amount of net assets attributable to each share outstanding at the close of the period. Investments measured using NAV for fair value are not subject to level classification.

The City invests in the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool managed by the State Banking Commission. The portfolio meets the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, where investments are valued at amortized cost.

Leases

City as a Lessor

The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term on a straight-line basis over its useful life. The following key assumptions are made:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease, including renewal terms reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases receivable and will remeasure a lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due from/to other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans).

Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Inventory

Inventory is valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$10,000 for infrastructure, \$5,000 for all other items, and estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 50
Vehicles and equipment	10 - 30
Land improvements	20
Infrastructure	50 - 60

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance

Generally, fund balance represents the difference between current assets/deferred outflows and current liabilities/deferred inflows. The City implemented GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions, as follows:

- *Nonspendable* represents amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. This fund balance classification includes General Fund reserves for prepaid expenditures and nonmajor governmental fund reserves for the principal portion of permanent trust funds.
- *Restricted* represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification represents various special revenue funds, capital projects, and the income portion of permanent trust funds.
- *Committed* represents amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the City Council. This fund balance classification includes solid waste operations, capital reserve funds set aside by City Council resolution for future capital acquisitions and improvements, and capital projects. A similar action is needed to modify or rescind a commitment.

- *Assigned* represents amounts that are constrained by the City's intent to use these resources for a specific purpose. The City's fund balance policy, approved by City Council, permits the City Manager and Finance Director to assign fund balance amounts to a specific purpose. This fund balance classification includes General Fund encumbrances that have been established by various City departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period.
- *Unassigned* represents amounts that are available to be spent in future periods and deficit funds. The General Fund is the only fund that reports a positive unassigned fund balance. As established by the City's fund balance policy, the unassigned fund balance for the General Fund is to be maintained at between 7% and 10% of the sum of the total of the General Fund annual operating budget and the property tax commitment for the school (both local and State) and the county.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the City uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance, and Accountability

Budgetary Information

The City Manager presents an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by the City Council, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at City Council meetings as required by changing conditions.

Departments are limited to their voted budgets. However, City Council authorization is needed to use salary and wage appropriations for other operating expenditures, and vice versa. Formal budgetary integration is employed as a management control device during the year for the General Fund, Solid Waste Fund, Parking Fund and proprietary funds. At year-end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

3. Deposits and Investments

State statutes (RSA 48:16) place certain limitation on the nature of deposits and investments available to the City. Deposits may be made in the New Hampshire Deposit Investment Pool (NHPDIP), in NH Banks, or banks outside the State of New Hampshire if such banks pledge and deliver to a third-party custodial bank with various collateralized security, in accordance with RSA 383:22. NHPDIP is under the control of the New Hampshire Banking Commission and Advisory Committee. Participation units of the NHPDIP are considered short-term for financial presentation purposes due to the high liquidity of the fund and are carried at amortized cost in accordance with GASB Statement 79.

Deposits

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure of the counterparty, the deposits may not be returned.

Pursuant to New Hampshire Statute, “the Treasurer shall ensure that prior to the acceptance of any moneys for deposit or investment, including repurchase agreements, the federally insured bank shall make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the City.” The City does not have a deposit policy for custodial credit risk.

As of June 30, 2023, \$3,039,712 of the City’s bank balance of \$59,608,000 was exposed to custodial credit risk as uninsured and/or uncollateralized. The uncollateralized amount primarily represents the cash portion of the Cambridge Trust Company investment portfolios, held by the Trustees of Trust Funds.

Investments

The following is a summary of the City’s investments as of June 30, 2023:

<u>Investment Type</u>	<u>Amount</u>
Market linked certificates of deposits	\$ 1,854,460
Corporate bonds	1,671,834
Corporate equities	7,156,450
Equity mutual funds	679,850
Federal agency securities	11,152,891
Fixed income taxable funds	183,511
Mortgage backed securities	2,713,018
U.S. Treasury notes	<u>915,854</u>
Total investments	<u>\$ 26,327,868</u>

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have formal investment policies for custodial credit risk.

As of June 30, 2023, all of the City’s investments were subject to custodial credit risk exposure because the related securities were uninsured, unregistered, and held by the City’s brokerage firm, which is also the counterparty to these securities. Investments are held by the counterparty’s agent.

Credit Risk – Investments in Debt Securities

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Presented below are the ratings as of year-end for each debt related investment of the City at June 30, 2023, except for U.S. Treasury notes, which have an implied credit rating of Aaa, as rated by Moody's:

Ratings as of Year-End								
<u>Debt related securities</u>	<u>Amount</u>	<u>Aaa</u>	<u>Aa3</u>	<u>A1</u>	<u>A2</u>	<u>A3</u>	<u>Baa2</u>	<u>Unrated</u>
Market linked certificates of deposits	\$ 1,854,460	\$ -	-	-	-	-	-	\$ 1,854,460
Corporate bonds	1,671,834	-	95,788	677,429	593,142	191,568	113,907	-
Federal agency securities	11,152,891	11,152,891	-	-	-	-	-	-
Fixed income taxable funds	183,511	-	-	-	-	-	-	183,511
Mortgage backed securities	2,713,018	2,713,018	-	-	-	-	-	-
Total investments	\$ 17,575,714	\$ 13,865,909	\$ 95,788	\$ 677,429	\$ 593,142	\$ 191,568	\$ 113,907	\$ 2,037,971

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investment in a single issuer. The City places no limit on the amount that may be invested in any one issuer. Other than U.S. government securities, the City does not have an investment in one issuer greater than 5% of total investments.

Interest Rate Risk – Investments in Debt Securities

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have formal investment policies limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's practice around interest rate risk is to purchase a combination of shorter term and longer-term investments and time cash flow from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is as follows at June 30, 2023:

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>
Certificates of deposits	\$ 1,854,460	\$ 732,493	1,121,967	-
Corporate bonds	1,671,834	-	1,534,718	137,116
Federal agency securities	11,152,891	2,453,582	8,699,309	-
Fixed income taxable funds	183,511	-	125,388	58,123
Mortgage backed securities	2,713,018	736,275	1,907,594	69,149
U.S. Treasury notes	915,854	245,400	146,198	524,256
Total	\$ 18,491,568	\$ 4,167,750	\$ 13,535,174	\$ 788,644

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The City does not have formal investment policies related to foreign currency risk. None of the City's investments were subject to foreign currency risk at June 30, 2023.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of an asset or liability and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as Level 2.
- Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

The City has the following fair value measurements as of June 30, 2023:

<u>Investment Type</u>	<u>Amount</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Investments by fair value level:				
Corporate bonds	\$ 1,671,834	\$ -	\$ 1,671,834	\$ -
Corporate equities	7,156,450	7,156,450	-	-
Equity mutual funds	679,850	679,850	-	-
Federal agency securities	11,152,891	-	11,152,891	-
Fixed income taxable funds	183,511	-	183,511	-
Mortgage backed securities	2,713,018	-	2,713,018	-
U.S. Treasury notes	<u>915,854</u>	<u>915,854</u>	<u>-</u>	<u>-</u>
Total	\$ <u>24,473,408</u>	\$ <u>8,752,154</u>	\$ <u>15,721,254</u>	\$ <u>-</u>

Equity and fixed income securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that is readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

4. Property Taxes Receivable

The City bills property taxes on a semi-annual basis and they are due in July and December. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, (i.e., due or receivable, within the current fiscal year and collected within the current period or within 60 days of year-end.

At the time of the tax lien, which the City usually places within 60 to 90 days after the due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes (redemptions) are not paid within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public sale held in November of each year. Property taxes collected before the due date, and in advance of the year for which they are levied, are recorded as a deferred inflow of resources as they are intended to finance the subsequent year's operations.

The City annually raises through tax levy an amount (overlay for abatements) for property tax abatements and interest refunds. All abatements and interest refunds are charged to overlay.

Property taxes receivable at June 30, 2023 consisted of the following:

	Gross Amount <u>(fund basis)</u>	Current <u>Portion</u>	Long-Term <u>Portion</u>
Real estate taxes	\$ 983,261	\$ 983,261	\$ -
Tax liens	691,408	-	691,408
Elderly liens	194,447	-	194,447
Tax deeded properties	80,146	-	80,146
Timber yield tax	<u>13,787</u>	<u>13,787</u>	<u>-</u>
Total property taxes	<u>\$ 1,963,049</u>	<u>\$ 997,048</u>	<u>\$ 966,001</u>

Taxes Collected for Others

The City collects property taxes for the State of New Hampshire, the Keene Union School District, and the County of Cheshire. Payments to the other taxing units are normally made throughout the year. The ultimate responsibility for the collection of taxes rests with the City.

5. User Fees Receivable

Each year the City issues four quarterly water/sewer bills. Bills include a base rate and consumption charge based on usage. Seasonal water bills are issued once per year.

Receivables for user charges at June 30, 2023 consisted of the following:

	Gross Amount	Allowance for Doubtful <u>Accounts</u>	Net Amount
Water	\$ 2,042,086	\$ (1,000)	\$ 2,041,086
Sewer	<u>2,202,830</u>	<u>(6,190)</u>	<u>2,196,640</u>
Total	<u>\$ 4,244,916</u>	<u>\$ (7,190)</u>	<u>\$ 4,237,726</u>

6. Accounts Receivable

This balance represents fees or services that were rendered but not yet paid by year-end. Governmental receivables consist of the following, net of allowances for uncollectable accounts:

	Net Amount <u>(fund basis)</u>	Net Amount <u>(accrual basis)</u>
Landfill tipping fees	\$ 679,108	\$ 679,108
Tipping fees allowance	(19,369)	(19,369)
Ambulance services	823,473	823,473
Ambulance allowance	(386,429)	(386,429)
Other receivables	263,082	263,082
Fleet services	<u>-</u>	<u>10,461</u>
Total Accounts Receivable	<u>\$ 1,359,865</u>	<u>\$ 1,370,326</u>

7. Notes Receivable

The State of New Hampshire provides financial assistance to communities for the planning, design, and construction of certain sewage disposal facilities. The balance at June 30, 2023 of notes receivable in the proprietary funds represents the remaining portion to be received from the State of New Hampshire.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 338,108	\$ 28,706	\$ 366,814
2025	179,269	24,506	203,775
2026	178,529	20,490	199,019
2027	178,529	16,590	195,119
2028	178,529	12,681	191,210
2029 - 2033	318,352	22,208	340,560
2034 - 2038	41,485	1,049	42,534
2039 - 2043	<u>25,503</u>	<u>-</u>	<u>25,503</u>
Total	<u>\$ 1,438,304</u>	<u>\$ 126,230</u>	<u>\$ 1,564,534</u>

In addition, at June 30, 2023 the governmental activities reflect \$126,528 due from Monadnock Economic Development Corporation (MEDC).

8. Intergovernmental Receivables

This balance represents reimbursements requested from federal and state agencies for expenditures incurred in fiscal year 2023.

9. Leases Receivable

In fiscal year 2022, the City implemented GASB Statement No. 87, *Leases*, which changed the definition of a lease and requires a lease receivable, offset with deferred inflows, to be shown on the financial statements. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Inflows related to leases for fiscal year 2023 were \$58,139.

Leases receivable consisted of the following:

<u>Purpose</u>	<u>Original Issue</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of June 30, 2023</u>
Retail space	\$ 136,445	07/31/27	1.65%	\$ 114,624
Ground lease	395,676	04/30/35	1.65%	<u>368,138</u>
Total				\$ <u><u>482,762</u></u>

Future minimum lease payments under these leases consisted of the following at June 30, 2023:

	<u>Principal</u>	<u>Interest</u>
2024	\$ 50,174	\$ 7,965
2025	51,001	7,137
2026	51,843	6,296
2027	52,698	5,441
2028	53,567	4,573
2029 - 2033	156,994	13,541
2034 - 2035	<u>66,485</u>	<u>1,649</u>
Total	\$ <u><u>482,762</u></u>	\$ <u><u>46,602</u></u>

10. Interfund Receivables/Payables and Transfers

Due to/from other funds represents short term cash borrowing between General Fund and the Sewer Fund:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 334,396	\$ -
Enterprise Fund:		
Sewer Fund	-	334,396
Total	\$ 334,396	\$ 334,396

During fiscal year 2007, the City voted to authorize \$2,100,000 for the design and construction of a round-about at the intersection of Main, Marlboro, and Winchester Streets. The appropriation was funded by an interfund loan from the Solid Waste Fund to the General Fund, Water Fund, and Sewer Fund, for \$1,723,400, \$191,440, and \$185,160, respectively. These advanced funds will be repaid according to a payment schedule through fiscal year 2027. The water and sewer portions were paid in full in 2015. As of June 30, 2023, the following balances remain outstanding:

<u>Fund</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ -	\$ 344,680
Solid Waste Fund	344,680	-
Total	\$ 344,680	\$ 344,680

The City reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. The following is a schedule of major interfund transfers for the year ended June 30, 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds</u>		
Major Funds:		
General Fund	\$ 242,545	\$ 2,042,874
Solid Waste Fund	-	177,564
Capital Projects Fund	3,158,860	-
Nonmajor Funds:		
Special Revenue Funds:		
Grants	59,200	890,971
Parking	-	276,000
Permanent Fund	-	73,196
Total	\$ 3,460,605	\$ 3,460,605

Of the \$2,042,874 transfer out from the General Fund, \$2,020,543 was to the Capital Projects Fund, which represents the City’s practice of funding certain capital activity from General Fund revenues and capital reserves. Of the \$890,971 transfer out from the Grants Fund, \$850,000 was to the Capital Projects Fund, which represents the City’s ARPA allocation used to help fund capital activity.

The City’s other routine transfers include transfers made to move (1) unrestricted revenues or balances that have been collected or accumulated in the General Fund to other funds based on budgetary authorization, and (2) revenues from a fund that by statute or budgetary authority must collect them to funds that are required by statute or budgetary authority to expend them.

11. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental Activities - Total				
Capital assets, being depreciated:				
Buildings and improvements	\$ 50,175,247	\$ -	\$ -	\$ 50,175,247
Vehicles and equipment	28,009,010	537,515	-	28,546,525
Land improvements	11,061,177	-	-	11,061,177
Infrastructure	<u>91,768,667</u>	<u>-</u>	<u>-</u>	<u>91,768,667</u>
Total capital assets, being depreciated	181,014,101	537,515	-	181,551,616
Less accumulated depreciation for:				
Buildings and improvements	(18,186,389)	(973,684)	-	(19,160,073)
Vehicles and equipment	(18,414,601)	(1,404,505)	-	(19,819,106)
Land improvements	(8,790,531)	(230,485)	-	(9,021,016)
Infrastructure	<u>(65,951,252)</u>	<u>(1,885,727)</u>	<u>-</u>	<u>(67,836,979)</u>
Total accumulated depreciation	<u>(111,342,773)</u>	<u>(4,494,401)</u>	<u>-</u>	<u>(115,837,174)</u>
Total capital assets, being depreciated, net	69,671,328	(3,956,886)	-	65,714,442
Capital assets, not being depreciated:				
Land	20,560,487	937,575	-	21,498,062
Construction in progress	<u>12,243,784</u>	<u>10,737,583</u>	<u>-</u>	<u>22,981,367</u>
Total capital assets, not being depreciated	<u>32,804,271</u>	<u>11,675,158</u>	<u>-</u>	<u>44,479,429</u>
Governmental activities capital assets, net	<u>\$ 102,475,599</u>	<u>\$ 7,718,272</u>	<u>\$ -</u>	<u>\$ 110,193,871</u>

The following two tables provide further detail regarding governmental activities capital assets as it represents General, Solid Waste, and Parking Funds, as well as Internal Service Funds capital assets.

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental Activities - General, Solid Waste, and Parking				
Capital assets, being depreciated:				
Buildings and improvements	\$ 50,175,247	\$ -	\$ -	\$ 50,175,247
Vehicles and equipment	20,136,588	309,117	-	20,445,705
Land improvements	11,061,177	-	-	11,061,177
Infrastructure	<u>91,768,667</u>	<u>-</u>	<u>-</u>	<u>91,768,667</u>
Total capital assets, being depreciated	173,141,679	309,117	-	173,450,796
Less accumulated depreciation for:				
Buildings and improvements	(18,186,389)	(973,684)	-	(19,160,073)
Vehicles and equipment	(13,733,416)	(899,791)	-	(14,633,207)
Land improvements	(8,790,531)	(230,485)	-	(9,021,016)
Infrastructure	<u>(65,951,252)</u>	<u>(1,885,727)</u>	<u>-</u>	<u>(67,836,979)</u>
Total accumulated depreciation	<u>(106,661,588)</u>	<u>(3,989,687)</u>	<u>-</u>	<u>(110,651,275)</u>
Total capital assets, being depreciated, net	66,480,091	(3,680,570)	-	62,799,521
Capital assets, not being depreciated:				
Land	20,560,487	937,575	-	21,498,062
Construction in progress	<u>12,243,784</u>	<u>10,737,583</u>	<u>-</u>	<u>22,981,367</u>
Total capital assets, not being depreciated	<u>32,804,271</u>	<u>11,675,158</u>	<u>-</u>	<u>44,479,429</u>
Governmental activities - general, solid waste, and parking capital assets, net	<u>\$ 99,284,362</u>	<u>\$ 7,994,588</u>	<u>\$ -</u>	<u>\$ 107,278,950</u>
	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental Activities - Internal Service				
Capital assets, being depreciated:				
Vehicles and equipment	\$ 7,872,422	\$ 228,398	\$ -	\$ 8,100,820
Total capital assets, being depreciated	7,872,422	228,398	-	8,100,820
Less accumulated depreciation for:				
Vehicles and equipment	<u>(4,681,185)</u>	<u>(504,714)</u>	<u>-</u>	<u>(5,185,899)</u>
Total accumulated depreciation	<u>(4,681,185)</u>	<u>(504,714)</u>	<u>-</u>	<u>(5,185,899)</u>
Governmental activities - internal service capital assets, net	<u>\$ 3,191,237</u>	<u>\$ (276,316)</u>	<u>\$ -</u>	<u>\$ 2,914,921</u>

The following table provides further detail regarding business-type activities capital assets.

	Beginning	Increases	Decreases	Ending
Business-Type Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 22,737,019	\$ 26,766	\$ -	\$ 22,763,785
Vehicles and equipment	18,395,596	-	-	18,395,596
Land improvements	447,415	-	-	447,415
Infrastructure	<u>70,770,449</u>	<u>20,882</u>	<u>-</u>	<u>70,791,331</u>
Total capital assets, being depreciated	112,350,479	47,648	-	112,398,127
Less accumulated depreciation for:				
Buildings and improvements	(12,392,913)	(493,615)	-	(12,886,528)
Vehicles and equipment	(11,856,063)	(581,958)	-	(12,438,021)
Land improvements	(414,005)	(2,975)	-	(416,980)
Infrastructure	<u>(31,996,182)</u>	<u>(1,284,506)</u>	<u>-</u>	<u>(33,280,688)</u>
Total accumulated depreciation	<u>(56,659,163)</u>	<u>(2,363,054)</u>	<u>-</u>	<u>(59,022,217)</u>
Total capital assets, being depreciated, net	55,691,316	(2,315,406)	-	53,375,910
Capital assets, not being depreciated:				
Land	2,478,735	-	-	2,478,735
Construction in progress	<u>5,964,608</u>	<u>3,592,822</u>	<u>-</u>	<u>9,557,430</u>
Total capital assets, being depreciated, net	<u>8,443,343</u>	<u>3,592,822</u>	<u>-</u>	<u>12,036,165</u>
Business-type activities capital assets, net	<u>\$ 64,134,659</u>	<u>\$ 1,277,416</u>	<u>\$ -</u>	<u>\$ 65,412,075</u>

Depreciation expense was charged to functions of the City as follows:

Governmental Activities

General government	\$ 463,692
Public safety	697,339
Public works	1,536,740
Library	352,004
Parks and facilities	206,349
Airport	733,563
Fleet (Internal Service Fund)	<u>504,714</u>
Total governmental activities	<u>\$ 4,494,401</u>

Business-Type Activities

Water	\$ 1,004,448
Sewer	<u>1,358,606</u>
Total business-type activities	<u>\$ 2,363,054</u>

12. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets by the City that apply to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pension and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

Deferred outflows of resources (exclusive of pension and OPEB) for governmental activities of \$72,309 and for business-type activities of \$17,723, resulted from the loss on prior year debt refundings that will be amortized over the life of the new bonds.

13. Accounts Payable

Accounts payable represents expenditures associated with an open purchase order for costs incurred in fiscal year 2023 that either were liquidated against a blanket purchase order (i.e., credit card purchases) or have no existing purchase order but were paid after year-end.

14. Tax Refunds Payable

This balance consists of an estimate of refunds due to property taxpayers for potential abatements. These cases are currently pending with the State Board of Tax and Land Appeals.

15. Unearned Revenue

Unearned revenue primarily represents grant funds received by the City from the American Rescue Plan Act (ARPA).

16. Long-Term Debt

General Obligation Bonds (Public Offerings) and State Revolving Loans (Direct Borrowing)

The City issues general obligation bonds and state revolving loans to provide funds for the acquisition and construction of major capital facilities. The City has outstanding general obligation bonds from public offerings and direct borrowings related to governmental activities totaling \$8,217,190 and \$6,770,000, respectively. The City has general obligation bonds from public offerings and state revolving loans related to business-type activities totaling \$3,322,812 and \$4,349,643, respectively. General obligation bonds and state revolving loans outstanding are as follows:

	Serial	Interest	Amount
	Maturities	Rate(s) %	Outstanding
<u>Governmental Activities:</u>	<u>Through</u>	<u>Rate(s) %</u>	<u>as of</u>
			<u>6/30/23</u>
Municipal facilities 2013 refunded	01/2026	2.00%	\$ 940,100
Sidewalk construction 2013 refunded	01/2026	2.00%	15,000
Drainage improvements 2013 refunded	01/2026	2.00%	60,000
General Obligation Bonds 2015	11/2034	2.00 - 4.00%	1,340,000
Consolidated infrastructure	09/2026	2.00 - 4.00%	540,000
City Hall boiler replacement & oil tank removal	09/2026	2.00 - 4.00%	40,000
Defibrillator replacement	09/2023	2.00 - 4.00%	9,000
Flood management	09/2026	2.00 - 4.00%	157,000
Consolidated infrastructure	09/2026	2.00 - 4.00%	580,000
Defibrillator replacement	09/2023	2.00 - 4.00%	9,000
2017 Refunding Series B	07/2028	2.00 - 4.00%	867,089
Transfer station tip floor replacement	09/2026	2.00 - 4.00%	40,000
LED Street Lighting	09/2038	3.00 - 3.50%	55,000
Airport Terminal Improvements	09/2038	3.00 - 3.50%	80,000
Consolidated Infrastructure	09/2038	3.00 - 3.50%	780,000
Consolidated Infrastructure	09/2038	3.00 - 3.50%	750,000
Flood Management	09/2038	3.00 - 3.50%	660,000
Winchester Street Bypass	09/2038	3.00 - 3.50%	440,000
Goose Pond Dam Improvements	09/2038	3.00 - 3.50%	705,000
Transfer Station Energy Source	09/2038	3.00 - 3.50%	150,000
City Hall Rear Wall	09/2027	1.63%	125,000
Winchester Street Bypass	09/2035	1.63%	744,000
Flood Management	09/2035	1.63%	441,000
Road Rehabilitation	09/2030	1.63%	1,014,000
Flood Management	09/2035	1.63%	635,000
Road Rehabilitation	09/2030	1.63%	715,000
Transfer Station Roof	09/2035	1.63%	145,000
Airport Fuel Tanks	09/2030	1.63%	406,000
Police Dispatch Console	09/2025	1.63%	139,000
Municipal Building Improvements	09/2025	1.63%	186,000
Fire Station Refunding Series B	10/2030	1.36%	1,981,000
Robin Dam Refunding Series B	10/2030	1.36%	239,000
Total Governmental Activities			<u>\$ 14,987,189</u>

	Serial	Interest	Amount
	Maturities	Rate(s) %	Outstanding
<u>Business-Type Activities:</u>	<u>Through</u>	<u>Rate(s) %</u>	<u>as of</u>
			<u>6/30/23</u>
Water Fund:			
Woodward pond dam	09/2035	1.63%	\$ 1,495,000
Reservoir dam repairs	09/2036	2.00 - 4.00%	580,000
Total Water Fund			<u>2,075,000</u>

(continued)

(continued)

Sewer Fund:

Sewer main improvements	01/2033	2.00 - 2.75%	430,000
Advance treatment refunded	01/2026	2.00%	59,900
Sewer main improvement refunded	01/2026	2.00%	190,000
WWTP closure	11/2034	2.00 - 4.00%	480,000
2017 Refunding Series 2016 B	07/2028	2.00 - 4.00%	592,912
'10 Infrastructure	09/2023	0.00%	137,810
'09 Infrastructure	12/2023	1.98%	112,963
WWTP construction	05/2025	1.60%	1,293,870
2018 Martel Court Headworks Replace	09/2033	3.00 - 3.50%	990,000
Colony court bloomer swamp main	09/2035	1.63%	<u>1,310,000</u>
Total Sewer Fund			<u>5,597,455</u>
Total Business-Type Activities			<u>\$ 7,672,455</u>

Future Debt Service

The annual payments to retire all general obligation bonds and state revolving loans outstanding as of June 30, 2023 were as follows:

Governmental	Direct Borrowings			General Obligation Bonds (Public Offerings)		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 845,000	\$ 98,720	\$ 943,720	\$ 1,734,485	\$ 290,322	\$ 2,024,807
2025	840,000	85,667	925,667	1,642,656	224,671	1,867,327
2026	830,000	72,724	902,724	1,352,513	167,262	1,519,775
2027	720,000	60,756	780,756	984,774	116,884	1,101,658
2028	715,000	49,723	764,723	643,348	80,703	724,051
2029 - 2033	2,355,000	105,424	2,460,424	1,374,413	171,308	1,545,721
2034 - 2038	465,000	11,509	476,509	445,000	30,832	475,832
2039	-	-	-	40,000	700	40,700
Total	<u>\$ 6,770,000</u>	<u>\$ 484,523</u>	<u>\$ 7,254,523</u>	<u>\$ 8,217,189</u>	<u>\$ 1,082,682</u>	<u>\$ 9,299,871</u>

The following governmental funds have been designated as the sources to repay the governmental-type general obligation bonds outstanding as of June 30, 2023:

General Fund	\$ 14,112,189
Solid Waste Fund	380,000
Parking Fund	<u>495,000</u>
Total	<u>\$ 14,987,189</u>

<u>Water Fund:</u>	<u>Direct Borrowings</u>			<u>General Obligation Bonds (Public Offerings)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 115,000	\$ 23,717	\$ 138,717	\$ 45,000	\$ 19,300	\$ 64,300
2025	115,000	21,820	136,820	45,000	17,500	62,500
2026	115,000	19,923	134,923	45,000	15,700	60,700
2027	115,000	18,025	133,025	45,000	13,900	58,900
2028	115,000	16,128	131,128	40,000	12,350	52,350
2029 - 2033	575,000	52,178	627,178	200,000	42,250	242,250
2034 - 2038	<u>345,000</u>	<u>8,538</u>	<u>353,538</u>	<u>160,000</u>	<u>10,400</u>	<u>170,400</u>
Total Water Fund	<u>\$ 1,495,000</u>	<u>\$ 160,329</u>	<u>\$ 1,655,329</u>	<u>\$ 580,000</u>	<u>\$ 131,400</u>	<u>\$ 711,400</u>

<u>Sewer Fund:</u>	<u>Direct Borrowings</u>			<u>General Obligation Bonds (Public Offerings)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 997,709	\$ 59,287	\$ 1,056,996	\$ 378,515	\$ 89,084	\$ 467,599
2025	746,934	29,458	776,392	376,344	75,705	452,049
2026	100,000	17,489	117,489	366,487	62,841	429,328
2027	100,000	15,839	115,839	274,226	50,596	324,822
2028	100,000	14,189	114,189	271,652	39,872	311,524
2029 - 2033	500,000	46,198	546,198	905,588	96,343	1,001,931
2034 - 2036	<u>310,000</u>	<u>4,290</u>	<u>314,290</u>	<u>170,000</u>	<u>7,671</u>	<u>177,671</u>
Total Sewer Fund	<u>\$ 2,854,643</u>	<u>\$ 186,750</u>	<u>\$ 3,041,393</u>	<u>\$ 2,742,812</u>	<u>\$ 422,112</u>	<u>\$ 3,164,924</u>

Tax Increment Financing Bonds

The City has pledged a portion of future tax increment financing revenues to repay tax increment bonds:

- \$760,000 in tax increment bonds issued in June 2015, to finance 93rd and Norway infrastructure improvements.
- \$1,629,000 in tax increment bonds issued in May 2013, to finance the Courthouse parking.
- \$2,011,000 in tax increment bonds issued in September 2016, to finance the Library Campus Development project.

These bonds are payable solely from the tax increment financing taxes generated within the Wells Street Parking Facility Tax Increment Financing District and the Courthouse Parking Tax Increment Financing District, and are further backed by the full taxing authority of the City.

Tax increment financing bonds outstanding are as follows:

<u>Governmental Activities:</u>	Serial Maturities	Interest Rate(s) %	Amount Outstanding as of <u>6/30/23</u>
93rd and Norway Infrastructure	11/2024	2.00 - 4.00%	\$ 150,000
Library Campus Development	09/2036	2.00 - 4.00%	1,390,000
Courthouse Refunding Series B	10/2030	1.36%	<u>240,000</u>
Total Governmental Activities			<u>\$ 1,780,000</u>

Future Debt Service on Tax Increment Financing Bonds

The annual payments to retire all tax increment financing bonds outstanding as of June 30, 2023 were as follows:

<u>Governmental</u>	<u>Direct Borrowings</u>			<u>General Obligation Bonds (Public Offerings)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 30,000	\$ 3,060	\$ 33,060	\$ 177,000	\$ 50,672	\$ 227,672
2025	30,000	2,652	32,652	176,000	43,613	219,613
2026	30,000	2,244	32,244	101,000	38,073	139,073
2027	30,000	1,836	31,836	101,000	34,032	135,032
2028	30,000	1,428	31,428	100,000	30,388	130,388
2029 - 2033	90,000	1,836	91,836	500,000	103,188	603,188
2034 - 2037	-	-	-	385,000	24,781	409,781
Total	<u>\$ 240,000</u>	<u>\$ 13,056</u>	<u>\$ 253,056</u>	<u>\$ 1,540,000</u>	<u>\$ 324,747</u>	<u>\$ 1,864,747</u>

Changes in Long-Term Liabilities

During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Less: Current Portion	Equals Long-Term Portion
Governmental Activities						
Bonds payable						
General obligation bonds	\$ 10,517,924	\$ -	\$ (2,300,734)	\$ 8,217,190	\$ (1,734,485)	\$ 6,482,705
Direct borrowings	7,620,000	-	(850,000)	6,770,000	(845,000)	5,925,000
Unamortized premium	<u>830,403</u>	<u>-</u>	<u>(174,203)</u>	<u>656,200</u>	<u>(174,202)</u>	<u>481,998</u>
Subtotal bonds payable	18,968,327	-	(3,324,937)	15,643,390	(2,753,687)	12,889,703
Tax increment financing bonds payable						
General obligation bonds	1,717,000	-	(177,000)	1,540,000	(177,000)	1,363,000
Direct borrowings	<u>270,000</u>	<u>-</u>	<u>(30,000)</u>	<u>240,000</u>	<u>(30,000)</u>	<u>210,000</u>
Subtotal tax increment financing bonds payable	1,987,000	-	(207,000)	1,780,000	(207,000)	1,573,000
Net pension liability	26,291,858	8,274,120	-	34,565,978	-	34,565,978
Total OPEB liability	7,887,966	-	(757,833)	7,130,133	(214,277)	6,915,856
Other:						
Landfill closure	349,571	-	(58,263)	291,308	(58,262)	233,046
Accrued employee benefits	<u>3,232,108</u>	<u>-</u>	<u>(144,150)</u>	<u>3,087,958</u>	<u>(308,796)</u>	<u>2,779,162</u>
Subtotal - other	<u>3,581,679</u>	<u>-</u>	<u>(202,413)</u>	<u>3,379,266</u>	<u>(367,058)</u>	<u>3,012,208</u>
Totals	<u>\$ 58,716,830</u>	<u>\$ 8,274,120</u>	<u>\$ (4,492,183)</u>	<u>\$ 62,498,767</u>	<u>\$ (3,542,022)</u>	<u>\$ 58,956,745</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Less: Current Portion	Equals Long-Term Portion
Business-Type Activities						
Bonds payable						
General obligation bonds	\$ 3,860,827	\$ -	\$ (538,015)	\$ 3,322,812	\$ (423,515)	\$ 2,899,297
Direct borrowings	<u>5,537,280</u>	<u>-</u>	<u>(1,187,637)</u>	<u>4,349,643</u>	<u>(1,112,709)</u>	<u>3,236,934</u>
Subtotal bonds payable	9,398,107	-	(1,725,652)	7,672,455	(1,536,224)	6,136,231
Net pension liability	4,028,835	1,267,885	-	5,296,720	-	5,296,720
Total OPEB liability	1,022,745	-	(88,622)	934,123	(25,723)	908,400
Other:						
Accrued employee benefits	<u>263,453</u>	<u>3,285</u>	<u>-</u>	<u>266,738</u>	<u>(26,673)</u>	<u>240,065</u>
Subtotal - other	<u>263,453</u>	<u>3,285</u>	<u>-</u>	<u>266,738</u>	<u>(26,673)</u>	<u>240,065</u>
Totals	<u>\$ 14,713,140</u>	<u>\$ 1,271,170</u>	<u>\$ (1,814,274)</u>	<u>\$ 14,170,036</u>	<u>\$ (1,588,620)</u>	<u>\$ 12,581,416</u>

Long-Term Debt Supporting Governmental and Business-Type Activities

General obligation bonds and loans issued by the City for various municipal projects are approved by City Council and repaid with revenues recorded in the General Fund, Solid Waste Fund, and Parking Fund, and user fees recorded in enterprise funds. All other long-term liabilities are repaid from the funds that the cost relates to, primarily the General Fund and enterprise funds.

Authorized and Unissued Debt

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2023 were as follows:

<u>Purpose</u>	<u>Amount</u>
3MG Water Tank Repair	\$ 2,433,000
Patricia T. Russell Park Improvements Project	1,283,000
Road Rehabilitation Project	922,000
Flood Management Project	744,000
State By-pass Project	584,000
Municipal Building Roofs	541,000
Wells Street Parking Structure Maintenance	523,000
Salt Shed Replacement	439,000
Patricia T. Russell Park Capital Project	350,000
Road Rehabilitation	298,000
Carpenter St. Flood Management Project	100,000
Road Rehabilitation	520,000
Stormwater Resiliency	1,374,000
Thompson Road	<u>1,057,000</u>
Total	<u>\$ 11,168,000</u>

Legal Debt Margin

The following is a computation of the legal debt margin as of June 30, 2023:

Equalized assessed valuation - 2022		\$ <u>2,791,281,392</u>
Debt Limits:		
General - 3% of equalized valuation		\$ 83,738,442
Parking - 0.5% of equalized valuation		13,956,407
Water - 10% of equalized valuation		<u>279,128,139</u>
		376,822,988
Total debt outstanding	24,439,644	
Less: debt exempt from limit	<u>(9,947,455)</u>	
		<u>14,492,189</u>
Legal debt margin		<u>\$ 362,330,799</u>

17. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure.

Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as a liability in the financial statements in each period based on landfill capacity used as of each balance sheet date. (Actual cost may be higher due to inflation, changes in technology, or changes in regulations.)

The current landfill was closed during the year ended June 30, 2001. The City has established a landfill capital reserve to partially finance the closure and post-closure costs. At June 30, 2023, the balance in the landfill capital reserve was \$21,941. The remaining post-closure costs are expected to be financed from the operations of the Solid Waste Fund.

The following is a summary of changes in the estimated liability for post-closure care costs for the year ended June 30, 2023:

Balance - July 1, 2022	\$ 349,571
Expenditures recognized in the Solid Waste Fund	<u>(58,262)</u>
Balance - June 30, 2023	<u>\$ 291,309</u>

The \$291,309 reported as landfill closure and postclosure care liability at June 30, 2023 represents that cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill.

18. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of net assets by the City that apply to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized as a reduction to expense in future years and are more fully described in the corresponding pension and OPEB notes.

Deferred inflows related to leases, in accordance with GASB Statement No. 87, have been recognized in fiscal year 2023, and are offset with leases receivable.

The following is a summary of other deferred inflows of resources (exclusive of pension and OPEB) balances as of June 30, 2023:

	Entity-wide Basis		Fund Basis		
	Governmental Activities	Business-type Activities	Governmental Funds General Fund	Proprietary Funds Water	Sewer
Unavailable revenues	\$ -	\$ -	\$ 1,591,202	\$ -	\$ -
Taxes collected in advance	22,979,098	-	22,979,098	-	-
Related to leases	482,762	-	482,762	-	-
Gains on refunding bonds	<u>35,655</u>	<u>86,280</u>	<u>-</u>	<u>63,524</u>	<u>22,756</u>
Total	\$ <u>23,497,515</u>	\$ <u>86,280</u>	\$ <u>25,053,062</u>	\$ <u>63,524</u>	\$ <u>22,756</u>

Unavailable revenues are reported in the governmental funds Balance Sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

Taxes collected in advance are reported in the governmental funds Balance Sheet in connection with subsequent year property tax revenue collections which are not available for use in the current year.

Gains on refunding bonds are reported in the government-wide Statement of Net Position and in the proprietary funds statement of net position in connection with the unamortized amount of gains resulting from the refunding of long-term bonds.

19. Governmental Funds - Balances

The City's fund balances at June 30, 2023 were comprised of the following:

	General Fund	Solid Waste Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Prepaid expenditures	\$ 228,335	\$ -	\$ -	\$ -	\$ 228,335
Permanent funds	-	-	-	7,071,850	7,071,850
Total Nonspendable	228,335	-	-	7,071,850	7,300,185
Restricted					
Capital projects	-	-	2,096,109	-	2,096,109
Grant fund	-	-	-	926,289	926,289
Library fund	-	-	-	583,398	583,398
Other special revenue funds	-	-	-	484,506	484,506
Permanent funds	-	-	-	373,169	373,169
Total Restricted	-	-	2,096,109	2,367,362	4,463,471
Committed					
Solid waste	-	3,206,476	-	-	3,206,476
Retirement	1,949,412	-	-	-	1,949,412
Capital Reserve Funds:					
Road and sidewalks	764,530	-	-	-	764,530
Fleet equipment	904,428	-	-	-	904,428
Bridges	1,371,844	-	-	-	1,371,844
Downtown infrastructure and facilities	1,810,647	-	-	-	1,810,647
Other capital reserve funds	2,098,191	-	-	-	2,098,191
Capital projects	-	-	1,448,962	-	1,448,962
Total Committed	8,899,052	3,206,476	1,448,962	-	13,554,490
Assigned					
General government	630,636	-	-	-	630,636
Public works	166,381	-	-	-	166,381
Other purposes	167,300	-	-	-	167,300
Total Assigned	964,317	-	-	-	964,317
Unassigned					
General fund	17,095,240	-	-	-	17,095,240
Deficits	-	-	(3,210,542)	-	(3,210,542)
Total Unassigned	17,095,240	-	(3,210,542)	-	13,884,698
Total Fund Balance	\$ 27,186,944	\$ 3,206,476	\$ 334,529	\$ 9,439,212	\$ 40,167,161

20. Restricted Net Position

The City’s restricted net position at June 30, 2023 was comprised of the following:

<u>Purpose</u>		Governmental <u>Activities</u>
Cable franchise fees	\$	276,485
Federal drug forfeiture		135,396
Library trust fund		583,398
Parking fund		437,309
Permanent funds		7,445,021
Other		<u>561,603</u>
Total	\$	<u><u>9,439,212</u></u>

21. Performance Bonds

The City holds letters of credit and performance bonds from developers until projects have been completed to City standards. These letters of credit and bonds are not included as part of the financial statements. At June 30, 2023, the City held performance deposits totaling \$539,953.

22. New Hampshire Retirement System

The City follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS).

The following pension disclosures for the New Hampshire Retirement System pension plan are based upon an actuarial valuation performed as of June 30, 2021, using a measurement date of June 30, 2022.

Plan Description

Full-time employees participate in the State of New Hampshire Retirement System (NHRS), a cost-sharing, multiple-employer contributory pension plan and trust established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. NHRS is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in NHRS. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also

eligible to participate as a group if the governing body of the political subdivision has elected participation.

The New Hampshire Retirement System, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group. Additional information is disclosed in NHRS's annual report publicly available from the New Hampshire Retirement System located at 54 Regional Drive, Concord, New Hampshire 03301-8507 or from their website at <https://www.nhrs.org>.

Benefits Provided

Group I benefits are provided based on creditable service and average final salary for the highest of either three or five years, depending on when service commenced.

Group II benefits are provided based on age, years of creditable service, and a benefit multiplier depending on vesting status as of January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by January 1, 2012, the benefit is calculated the same way but the multiplier used in the calculation will change depending on age and years of creditable service, as follows:

Years of creditable service as of <u>January 1, 2012</u>	Minimum <u>Age</u>	Minimum <u>Service</u>	Benefit <u>Multiplier</u>
At least 3 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

Contributions

Plan members are required to contribute a percentage of their earnable compensation to the pension plan. Contribution rates are 7% for employees and teachers, 11.55% for police and 11.80% for fire. The City makes contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16, III, which is 13.75% for employees, 30.67% for police, and 29.78% for fire. The City's contributions to NHRS for the year ended June 30, 2023 was \$4,184,114, which was equal to its annual required contribution.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the NHRS and additions to/deductions from NHRS's fiduciary net position have been determined on the same basis as they are reported by NHRS. For

this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to Pensions

At June 30, 2023, the City reported a liability of \$39,862,698 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At the most recent measurement date of June 30, 2022, the City's proportion was 0.695%, which was an increase of 0.011% from its previous year proportion.

For the year ended June 30, 2023, the City recognized pension expense of \$3,563,006. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 748,152	\$ 153,026
Changes of assumptions	2,120,377	-
Net difference between projected and actual earnings on pension plan investments	1,510,745	-
Changes in proportion and differences between contributions and proportionate share of contributions	459,285	567,514
Contributions subsequent to the measurement date	<u>4,184,114</u>	<u>-</u>
Total	\$ <u><u>9,022,673</u></u>	\$ <u><u>720,540</u></u>

The amounts reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2024. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pension will be recognized as a change in pension expense as follows:

<u>Year Ended June 30:</u>	
2024	\$ 1,363,972
2025	1,195,461
2026	(618,733)
2027	<u>2,177,319</u>
Total	<u>\$ 4,118,019</u>

Actuarial Assumptions and Other Inputs

The collective total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Price inflation	2.00%
Wage inflation	2.75%
Salary increases	5.40% average, including inflation
Investment rate of return	6.75%, net of investment expense, including inflation

Mortality rates were updated to be based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (police and fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

Target Allocations

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

The following is a table presenting target allocations and geometric real rates of return for each asset class.

<u>Asset Class</u>	<u>Target Allocation Percentage</u>	<u>Average Long- Term Expected Real Rate of Return</u>
Broad US equity	30.00 %	7.60%
Global Ex-US equity	<u>20.00</u>	7.90%
Total public equity	50.00	
Real estate equity	10.00	6.60%
Private equity	<u>10.00</u>	8.85%
Total private market equity	20.00	
Private debt	5.00	7.25%
Core US fixed income	<u>25.00</u>	3.60%
Inflation		2.25%
Total	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan’s actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the City’s proportionate share of the net pension liability would be if it was calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease	Current Discount Rate	1% Increase
\$ 53,485,691	\$ 39,862,698	\$ 28,536,441

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in NHRS’s separately issued financial report.

23. Other Post-Employment Benefits

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

City OPEB Plan

The following OPEB disclosures for the City OPEB Plan are based on a measurement date of June 30, 2023.

General Information about the OPEB Plan

Plan Description

The City provides post-employment healthcare benefits for retired employees through the City’s single employer defined benefit OPEB plan. The City provides health insurance coverage through the New Hampshire Interlocal Trust. The OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75. The plan does not issue a separate stand-alone report.

The City indirectly provides post-employment healthcare for retired employees through an implicit rate covered by current employees. Retirees of the City who participate in this single-employer plan pay 100% of the healthcare premiums to participate in the City’s healthcare program. Since they are included in the same pool as active employees, the insurance rates are implicitly higher for current employees due to the age consideration. This increased rate is an implicit subsidy the City pays for the retirees.

Benefits Provided

The City provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the City and meet the eligibility criteria will receive these benefits.

Plan Membership

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	35
Active employees	<u>245</u>
Total	<u>280</u>

Funding Policy

The City's funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Discount rate	3.65%
Healthcare cost trend rates	8.0% for 2023, decreasing 0.5% per year to 6.5%, then grading down to an ultimate trend rate of 4.1%
Retirees' share of benefit-related costs	100%
Participation rate	60% of eligible retired employees

Pre-retirement mortality rates were based on the Pub-2010 headcount-weighted Employee General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

Post-retirement mortality rates for healthy retirees were based on 101% of the Pub-2010 headcount-weighted Retiree General Mortality Tables for males and 109% of the Pub-2010 headcount-weighted Retiree General Mortality Tables for females, projected with fully generational mortality improvement using scale MP-2019. Post-retirement mortality rates for surviving spouses were based on the Pub-2010 Contingent Survivor General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019. Post-retirement mortality rates for disabled retirees were based on the Pub-2010 Disabled General Mortality Tables, projected with fully generational mortality improvement using scale MP-2019.

The actuarial assumptions used in the valuation were based on the results of the most recent actuarial study.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%, the rate that reflects a tax-exempt, high quality municipal bond rate. The municipal bond rate is based on the Bond Buyer 20-Bond GO Index published on June 30, 2023.

Total OPEB Liability

The City's total OPEB liability of \$5,347,538 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2023.

Changes in the Total OPEB Liability

The following summarizes the changes to the total OPEB liability for the past year:

	Total OPEB <u>Liability</u>
Balance, beginning of year	\$ 5,613,633
Changes for the year:	
Service cost	266,104
Interest	203,967
Changes of benefit terms	(907,537)
Differences between expected and actual experience	272,140
Changes of assumptions or other inputs	135,133
Benefit payments	<u>(235,902)</u>
Net Changes	<u>(266,095)</u>
Balance, end of year	<u>\$ 5,347,538</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability calculated using the current discount rate of 3.65%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% <u>Decrease</u>	Current Discount Rate	1% <u>Increase</u>
\$ 5,901,241	\$ 5,347,538	\$ 4,854,052

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability calculated using the current healthcare cost trend rates of 8.00%, as well as what the total OPEB liability would be if it was calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$ 4,752,557	\$ 5,347,538	\$ 6,049,405

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized an OPEB expense of \$(533,791). At June 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 635,315	\$ 333,871
Changes of assumptions	<u>577,068</u>	<u>670,862</u>
Total	<u>\$ 1,212,383</u>	<u>\$ 1,004,733</u>

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized a change in OPEB expense as follows:

Year Ended June 30:

2024	\$ (11,771)
2025	76,527
2026	107,629
2027	24,660
2028	(22,219)
Thereafter	<u>32,824</u>
Total	<u>\$ 207,650</u>

New Hampshire Retirement System Medical Subsidy Plan Description

The following OPEB disclosures for the New Hampshire Retirement Medical Subsidy Plan are based on an actuarial valuation performed as of June 30, 2021, using a measurement date of June 30, 2022.

General Information about the OPEB Plan

Plan Description

In addition to the OPEB plan discussed above, the City participates in the New Hampshire Retirement System (NHRS) Medical Subsidy. The NHRS administers a cost-sharing, multiple-employer other post-employment benefit plan (OPEB Plan) for retiree health insurance subsidies. Benefit amounts and eligibility requirements are set by state law, and members are designated by type. The four membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. Collectively, they are referred to as the OPEB Plan.

NHRS issues publicly available financial reports that can be obtained by writing to them at 54 Regional Drive, Concord, New Hampshire 03301-8507 or from their website at <https://www.nhrs.org>.

Benefits Provided

The OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS to the former employer or their insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Group I benefits are based on creditable service, age, and retirement date. Group II benefits are based on hire date, age, and creditable service. The OPEB plan is closed to new entrants.

The eligibility requirements for receiving OPEB Plan benefits differ for Group I and Group II members. The monthly Medical Subsidy rates are:

1 Person - \$375.56
2 Person - \$751.12
1 Person Medicare Supplement - \$236.84
2 person Medicare Supplement - \$473.68

Contributions

Pursuant to RSA 100-A:16, III, and the biennial actuarial valuation, funding for the Medical Subsidy payment is via the employer contributions rates set forth by NHRS. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age normal funding method and are expressed as a percentage of earnable compensation. The City contributed 0.31% of earnable compensation for Group I employees, 1.54% of earnable compensation for Group I teachers, and 3.21% of earnable compensation for Group II fire and police department members. Employees are not required to contribute. The State Legislature has the authority to establish, amend, and discontinue the contribution requirements of the Medical Subsidy plan.

Actuarial Assumptions and Other Inputs

Actuarial assumptions for the collective total OPEB liability are the same as the New Hampshire Retirement System, which is disclosed in Note 22.

Net OPEB Liability, Expense, and Deferred Outflows and (Inflows)

The City's proportionate share of the total NHRS Medical Subsidy (net OPEB liability) as of the measurement date of June 30, 2022 was \$2,716,718, representing 0.719%.

For the year ended June 30, 2023, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$343,356. At June 30, 2023, the City reported deferred outflows and (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ 7,425	\$ -
Contributions subsequent to the measurement date	<u>311,758</u>	<u>-</u>
Total	<u>\$ 319,183</u>	<u>\$ -</u>

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ending June 30, 2024.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as a change in OPEB expense as follows:

<u>Fiscal Year Ended June 30:</u>	
2024	\$ 1,234
2025	321
2026	(2,921)
2027	<u>8,791</u>
Total	<u>\$ 7,425</u>

Sensitivity of the Net NHRS Medical Subsidy OPEB Liability to Changes in the Discount Rate
 The following presents the net OPEB liability using the discount rate of 6.75%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 2,949,460	\$ 2,716,718	\$ 2,514,017

Healthcare Cost Trend Rate

Healthcare cost trend rates are not applicable given that the benefits are fixed stipends.

Consolidation of Net OPEB Liabilities and Related Deferred Outflows and Inflows

Below is a summary of all OPEB related items in the aggregate as of June 30, 2023. Details related to these items are presented separately for each plan on the previous pages.

	<u>Total OPEB Liability</u>	<u>Total Deferred Outflows of Resources</u>	<u>Total Deferred Inflows of Resources</u>	<u>Total OPEB Expense (Income)</u>
City OPEB Plan	\$ 5,347,538	\$ 1,212,383	\$ 1,004,733	\$ (533,791)
Proportionate share of NHRS Medical Subsidy Plan	<u>2,716,718</u>	<u>319,183</u>	<u>-</u>	<u>343,356</u>
Total	<u>\$ 8,064,256</u>	<u>\$ 1,531,566</u>	<u>\$ 1,004,733</u>	<u>\$ (190,435)</u>

24. Commitments and Contingencies

Outstanding Legal Issues

On an ongoing basis, there are typically pending legal issues in which the City is involved. The City's management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

Abatements

There are several cases pending before the New Hampshire Board of Tax and Land Appeals in regard to alleged discrepancies in property assessments. According to the City's counsel, the probable outcome of these cases at the present time is indeterminable, although the City expects such amounts, if any, to be material. As a result, the City has estimated their exposure and recorded a tax refunds payable.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Encumbrances

At year-end the City’s General Fund has \$964,317 in encumbrances that will be honored in the next fiscal year.

25. Subsequent Events

Subsequent to June 30, 2023, the City has incurred the following additional debt:

	<u>Amount</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
2023 Series B Bonds	\$ 8,217,000	5.10%	08/09/23	08/15/38

Management has evaluated subsequent events through April 30, 2024, which is the date the financial statements were available to be issued.

26. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 101, *Compensated Absences*, effective for the City beginning with its fiscal year ending June 30, 2025. This statement establishes revised reporting and disclosure requirements related to compensated absences in the financial statements. Management has not yet evaluated the impact of implementing this GASB pronouncement.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF KEENE, NEW HAMPSHIRE

REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

(UNAUDITED)

	Original <u>Budget</u>	Final <u>Budget</u>	Actual Amounts (Budgetary <u>Basis</u>)	Variance with Final Budget Positive (<u>Negative</u>)
Revenues				
Property taxes	\$ 29,421,286	\$ 29,421,286	\$ 29,170,256	\$ (251,030)
Charges for services	2,197,792	2,197,792	2,317,965	120,173
Intergovernmental	3,522,510	3,522,510	4,011,281	488,771
Licenses and permits	3,973,867	3,973,867	4,197,238	223,371
Fines and forfeitures	51,832	51,832	74,845	23,013
Other revenues	<u>1,076,947</u>	<u>1,076,947</u>	<u>1,915,309</u>	<u>838,362</u>
Total Revenues	40,244,234	40,244,234	41,686,894	1,442,660
Expenditures				
Elected and Appointed Officials:				
Mayor and City Council	120,443	120,443	115,662	4,781
Outside agencies	295,650	295,650	295,650	-
Community funded events	47,111	47,111	41,289	5,822
Boards and commissions	28,651	28,651	27,767	884
City manager	738,466	745,948	672,854	73,094
City attorney	463,427	470,695	403,127	67,568
City clerk	678,527	686,470	675,049	11,421
Administrative Services:				
Assessment	439,938	447,509	397,841	49,668
Finance (including human services)	2,746,076	2,773,502	2,669,273	104,229
Human resources	1,122,193	735,286	647,307	87,979
Information technology	1,536,826	1,553,498	1,432,235	121,263
Community Services:				
Fire	8,282,263	8,374,676	8,105,214	269,462
Library	1,664,684	1,692,011	1,606,345	85,666
Parks, rec and facilities (including youth services)	3,944,243	3,967,680	3,962,618	5,062
Police	8,266,499	8,373,565	7,870,136	503,429
Municipal Development Services:				
Airport	746,104	752,677	541,480	211,197
Community development	1,460,966	1,482,276	1,427,702	54,574
Public works	5,050,714	5,085,133	4,801,527	283,606
Debt Service	<u>3,919,092</u>	<u>3,919,092</u>	<u>3,754,497</u>	<u>164,595</u>
Total Expenditures	<u>41,551,873</u>	<u>41,551,873</u>	<u>39,447,573</u>	<u>2,104,300</u>
Other Financing Sources (Uses)				
Transfers in	3,974,004	3,974,004	2,218,378	(1,755,626)
Transfers out	(4,526,977)	(4,526,977)	(3,405,253)	1,121,724
Use of fund balance	<u>1,860,612</u>	<u>1,860,612</u>	<u>-</u>	<u>(1,860,612)</u>
Total Other Financing Sources (Uses)	<u>1,307,639</u>	<u>1,307,639</u>	<u>(1,186,875)</u>	<u>(2,494,514)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,052,446</u>	\$ <u>1,052,446</u>

See Independent Auditors' Report and Notes to the Required Supplementary Information.

CITY OF KEENE, NEW HAMPSHIRE

REQUIRED SUPPLEMENTARY INFORMATION
SOLID WASTE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

(UNAUDITED)

	<u>Budget</u>	<u>Actual</u> <u>(Budgetary Basis)</u>	Variance Positive <u>(Negative)</u>
Revenues			
Charges for services	\$ 5,073,601	\$ 5,213,403	\$ 139,802
Licenses and permits	52,000	57,873	5,873
Investment income	1,000	143,037	142,037
Miscellaneous	<u>-</u>	<u>5,220</u>	<u>5,220</u>
Total Revenues	5,126,601	5,419,533	292,932
Expenditures			
Public works	5,394,561	5,010,214	384,347
Debt service:			
Principal	45,000	45,000	-
Interest	<u>12,400</u>	<u>12,400</u>	<u>-</u>
Total Expenditures	5,451,961	5,067,614	384,347
Other Financing Sources (Uses)			
Use of fund balance	752,924	-	(752,924)
Transfers out	<u>(427,564)</u>	<u>(177,564)</u>	<u>250,000</u>
Total Other Financing Sources (Uses)	<u>325,360</u>	<u>(177,564)</u>	<u>(502,924)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	\$ <u><u>-</u></u>	\$ <u><u>174,355</u></u>	\$ <u><u>174,355</u></u>

See Independent Auditors' Report and Notes to the Required Supplementary Information.

**Notes to the Required Supplementary Information
for General Fund and Solid Waste Fund Budget**

Budgetary Basis

The General Fund and Solid Waste Fund final appropriations appearing on the “Budget and Actual” pages of the fund financial statements represent the final amended budget after all reserve fund transfers and supplemental appropriations.

Budget/GAAP Reconciliation

The budgetary data for the General Fund is based upon accounting principles that differ from GAAP. Therefore, in addition to the GAAP basis financial statements, the results of operations of the General Fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues, expenditures, and other financing sources (uses), to conform to the budgetary basis of accounting:

<u>General Fund</u>	Revenues and <u>Transfers In</u>	Expenditures and <u>Transfers Out</u>
GAAP Basis	\$ 42,386,200	\$ 40,562,033
Reverse beginning of year appropriation carryforwards from expenditures	-	(1,088,032)
Add end of year appropriation carryforwards to expenditures	-	329,812
To reverse capital reserve activity	(698,251)	1,273,729
To reverse City admin charges	2,217,323	2,217,323
To reverse nonbudgeted activity	-	(442,039)
Budgetary Basis	<u>\$ 43,905,272</u>	<u>\$ 42,852,826</u>

See Independent Auditors’ Report.

CITY OF KEENE, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

(Unaudited)

New Hampshire Retirement System						
Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2023	June 30, 2022	0.69494045%	\$39,862,698	\$ 18,893,205	210.99%	65.1%
June 30, 2022	June 30, 2021	0.68414363%	\$30,320,693	\$ 18,343,037	165.30%	72.2%
June 30, 2021	June 30, 2020	0.68636551%	\$43,900,975	\$ 17,714,773	247.82%	58.7%
June 30, 2020	June 30, 2019	0.71311951%	\$34,312,848	\$ 17,557,403	195.43%	65.6%
June 30, 2019	June 30, 2018	0.71056295%	\$34,215,044	\$ 16,972,184	201.59%	64.7%
June 30, 2018	June 30, 2017	0.75131322%	\$36,949,530	\$ 16,674,883	221.59%	62.7%
June 30, 2017	June 30, 2016	0.76700000%	\$40,814,329	\$ 16,476,203	247.72%	58.3%
June 30, 2016	June 30, 2015	0.77180000%	\$30,574,215	\$ 16,312,424	187.43%	65.5%
June 30, 2015	June 30, 2014	0.75190000%	\$28,223,639	\$ 15,533,864	181.69%	66.3%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS

(Unaudited)

New Hampshire Retirement System					
<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2023	\$ 4,184,114	\$ 4,184,114	\$ -	\$ 20,014,726	20.91%
June 30, 2022	\$ 4,042,168	\$ 4,042,168	\$ -	\$ 18,893,205	21.39%
June 30, 2021	\$ 3,152,910	\$ 3,152,910	\$ -	\$ 18,343,037	17.19%
June 30, 2020	\$ 3,055,329	\$ 3,055,329	\$ -	\$ 17,714,773	17.25%
June 30, 2019	\$ 3,107,400	\$ 3,107,400	\$ -	\$ 17,557,403	17.70%
June 30, 2018	\$ 3,005,032	\$ 3,005,032	\$ -	\$ 16,972,184	17.71%
June 30, 2017	\$ 2,759,440	\$ 2,759,440	\$ -	\$ 16,674,883	16.55%
June 30, 2016	\$ 2,738,529	\$ 2,738,529	\$ -	\$ 16,476,203	16.62%
June 30, 2015	\$ 2,910,722	\$ 2,910,722	\$ -	\$ 16,312,424	17.84%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE AND CONTRIBUTIONS
OF THE NET OPEB LIABILITY

(Unaudited)

Schedule of Proportionate Share

New Hampshire Retirement System Medical Subsidy						
Fiscal Year	Measurement Date	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total OPEB Liability
June 30, 2023	June 30, 2022	0.71892209%	\$ 2,716,718	\$ 18,893,205	14.38%	10.64%
June 30, 2022	June 30, 2021	0.65800486%	\$ 2,635,025	\$ 18,343,037	14.37%	11.06%
June 30, 2021	June 30, 2020	0.66283396%	\$ 2,901,284	\$ 17,714,773	16.38%	7.74%
June 30, 2020	June 30, 2019	0.73849892%	\$ 3,237,661	\$ 17,557,403	18.44%	7.75%
June 30, 2019	June 30, 2018	0.73716947%	\$ 3,375,099	\$ 16,972,184	19.89%	7.53%
June 30, 2018	June 30, 2017	0.51745837%	\$ 2,365,995	\$ 16,674,883	14.19%	7.91%

Schedule of Contributions

New Hampshire Retirement System Medical Subsidy						
Fiscal Year	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll	
June 30, 2023	\$ 311,758	\$ 311,758	\$ -	\$20,014,725	1.56%	
June 30, 2022	\$ 304,597	\$ 304,597	\$ -	\$18,893,205	1.61%	
June 30, 2021	\$ 317,548	\$ 317,548	\$ -	\$18,343,037	1.73%	
June 30, 2020	\$ 308,401	\$ 308,401	\$ -	\$17,714,773	1.74%	
June 30, 2019	\$ 326,339	\$ 326,339	\$ -	\$17,557,403	1.86%	
June 30, 2018	\$ 307,677	\$ 307,677	\$ -	\$16,972,184	1.81%	

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY

(Unaudited)

City of Keene OPEB Plan*							
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability							
Service cost	\$ 266,104	\$ 343,847	\$ 283,578	\$ 212,290	\$ 209,926	\$ 213,897	\$ 267,444
Interest	203,967	140,299	123,643	162,636	193,648	198,431	164,088
Change in benefit terms	(907,537)	-	-	-	-	-	-
Differences between expected and actual experience	272,140	-	664,483	-	(1,071,997)	(588,774)	-
Changes of assumptions or other inputs	135,133	(897,839)	23,942	746,737	543,148	(134,387)	(384,126)
Benefit payments	<u>(235,902)</u>	<u>(248,361)</u>	<u>(262,132)</u>	<u>(227,896)</u>	<u>(240,425)</u>	<u>(207,886)</u>	<u>(209,207)</u>
Net change in total OPEB liability	(266,095)	(662,054)	833,514	893,767	(365,700)	(518,719)	(161,801)
Total OPEB liability - beginning	<u>5,613,633</u>	<u>6,275,687</u>	<u>5,442,173</u>	<u>4,548,406</u>	<u>4,914,106</u>	<u>5,432,825</u>	<u>5,594,626</u>
Total OPEB liability - ending	<u>\$ 5,347,538</u>	<u>\$ 5,613,633</u>	<u>\$ 6,275,687</u>	<u>\$ 5,442,173</u>	<u>\$ 4,548,406</u>	<u>\$ 4,914,106</u>	<u>\$ 5,432,825</u>
Covered employee payroll	\$ 19,134,820	\$ 18,893,205	\$ 17,907,811	\$ 17,171,933	\$ 17,040,297	\$ 16,972,222	\$ 16,674,879
Total OPEB liability as a percentage of covered employee payroll	27.95%	29.71%	35.04%	31.69%	26.69%	28.95%	32.58%

*Does not include New Hampshire Retirement System Medical Subsidy.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the City's financial statements for summary of significant actuarial methods and assumptions. Additionally, the City has not established a trust to pay related benefits for the OPEB plan.

See Independent Auditors' Report.

**Combining and Individual Fund
Financial Statements and Schedules**

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special revenue funds are established for the following purposes:

- Grants Fund: to account for those activities that are funded in part or in whole by contributions from other entities.
- Parking Fund: to account for the operations, maintenance, and capital outlay needs of the municipal parking areas.
- Library Fund: to account for the revenues and expenditures incurred with the operation of the Public Library.
- Other Expendable Trusts: to account for various assets and activities restricted for specific purposes. Both the principal and earnings may be used.

PERMANENT FUND

Permanent fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs – that is, for the benefit of the City or its citizenry.

CITY OF KEENE, NEW HAMPSHIRE

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2023

	Special Revenue Funds					
	<u>Grants Fund</u>	<u>Parking Fund</u>	<u>Library Fund</u>	<u>Other Expendable Trusts</u>	<u>Permanent Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Assets						
Cash and short-term investments	\$ 2,465,670	\$ 438,197	\$ 69,151	\$ -	\$ 710,190	\$ 3,683,208
Investments	-	-	514,247	47,196	6,711,730	7,273,173
Receivables:						
Accounts receivable, net	65,571	10,089	-	-	23,099	98,759
Intergovernmental	<u>328,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>328,488</u>
Total Assets	<u>\$ 2,859,729</u>	<u>\$ 448,286</u>	<u>\$ 583,398</u>	<u>\$ 47,196</u>	<u>\$ 7,445,019</u>	<u>\$ 11,383,628</u>
Liabilities						
Accounts payable	\$ 191,909	\$ 2,824	\$ -	\$ -	\$ -	\$ 194,733
Accrued liabilities	4,027	8,152	-	-	-	12,179
Unearned revenue	<u>1,737,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,737,504</u>
Total Liabilities	1,933,440	10,976	-	-	-	1,944,416
Fund Balances						
Nonspendable	-	-	-	-	7,071,850	7,071,850
Restricted	<u>926,289</u>	<u>437,310</u>	<u>583,398</u>	<u>47,196</u>	<u>373,169</u>	<u>2,367,362</u>
Total Fund Balances	<u>926,289</u>	<u>437,310</u>	<u>583,398</u>	<u>47,196</u>	<u>7,445,019</u>	<u>9,439,212</u>
Total Liabilities and Fund Balances	<u>\$ 2,859,729</u>	<u>\$ 448,286</u>	<u>\$ 583,398</u>	<u>\$ 47,196</u>	<u>\$ 7,445,019</u>	<u>\$ 11,383,628</u>

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds					
	Grants <u>Fund</u>	Parking <u>Fund</u>	Library <u>Fund</u>	Other Expendable <u>Trusts</u>	Permanent <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues						
Property taxes	\$ -	\$ 195,489	\$ -	\$ -	\$ -	\$ 195,489
Charges for services	357,676	1,073,990	-	-	-	1,431,666
Intergovernmental	2,068,532	16,734	2,750	-	-	2,088,016
Licenses and permits	52,116	-	-	-	-	52,116
Investment income	76	21,356	25,019	3,447	584,172	634,070
Contributions	54,095	-	12,970	-	53,650	120,715
Miscellaneous	<u>219,867</u>	<u>3,441</u>	<u>30,499</u>	<u>-</u>	<u>-</u>	<u>253,807</u>
Total Revenues	2,752,362	1,311,010	71,238	3,447	637,822	4,775,879
Expenditures						
General government	802,294	-	-	-	-	802,294
Public safety	673,779	907,206	-	-	-	1,580,985
Library	78,752	-	68,121	-	-	146,873
Parks and facilities	142,651	-	-	-	-	142,651
Debt service:						
Principal	-	105,000	-	-	-	105,000
Interest	<u>-</u>	<u>10,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,968</u>
Total Expenditures	<u>1,697,476</u>	<u>1,023,174</u>	<u>68,121</u>	<u>-</u>	<u>-</u>	<u>2,788,771</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,054,886	287,836	3,117	3,447	637,822	1,987,108
Other Financing Sources (Uses)						
Transfers in	59,200	-	-	-	-	59,200
Transfers out	<u>(890,971)</u>	<u>(276,000)</u>	<u>-</u>	<u>-</u>	<u>(73,196)</u>	<u>(1,240,167)</u>
Total Other Financing Sources (Uses)	<u>(831,771)</u>	<u>(276,000)</u>	<u>-</u>	<u>-</u>	<u>(73,196)</u>	<u>(1,180,967)</u>
Change in Fund Balance	223,115	11,836	3,117	3,447	564,626	806,141
Fund Balances at Beginning of Year	<u>703,174</u>	<u>425,474</u>	<u>580,281</u>	<u>43,749</u>	<u>6,880,393</u>	<u>8,633,071</u>
Fund Balances at End of Year	<u>\$ 926,289</u>	<u>\$ 437,310</u>	<u>\$ 583,398</u>	<u>\$ 47,196</u>	<u>\$ 7,445,019</u>	<u>\$ 9,439,212</u>

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE
PARKING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL
ANNUALLY BUDGETED NONMAJOR GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Parking		
	<u>Budget</u>	<u>Actual</u> <u>(Budgetary Basis)</u>	Variance Positive (Negative)
Revenues			
Property taxes	\$ 210,648	\$ 195,489	\$ (15,159)
Charges for services	1,073,913	1,074,106	193
Intergovernmental	16,734	16,734	-
Investment income	500	21,356	20,856
Miscellaneous	-	3,324	3,324
Total Revenues	1,301,795	1,311,009	9,214
Expenditures			
Public safety	935,635	907,206	28,429
Debt service:			
Principal	105,000	105,000	-
Interest	19,467	10,968	8,499
Total Expenditures	1,060,102	1,023,174	36,928
Other Financing Sources (Uses)			
Use (addition) of fund balance	190,107	-	(190,107)
Transfers out	954,800	276,000	(678,800)
Total Other Financing Sources (Uses)	1,144,907	276,000	(868,907)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	\$ 1,386,600	\$ 563,835	\$ (822,765)

See Independent Auditors' Report.

INTERNAL SERVICE FUNDS

Internal service funds are used to account for central source activities that provide goods and services to other funds, departments, or agencies.

The City of Keene has the following internal service funds:

- Fleet Fund: to account for the operations, maintenance, and capital outlay needs of City vehicles and equipment.
- PC Replacement Fund: to account for the on-going replacement of PCs, certain peripherals, and desktop software utilized by all City departments.

CITY OF KEENE, NEW HAMPSHIRE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023

	Governmental Activities Internal Service Funds		
	Fleet Fund	PC Replacement Fund	Total
Assets			
Current:			
Cash and short-term investments	\$ 1,137,588	\$ 222,494	\$ 1,360,082
Investments	904,428	-	904,428
Accounts receivable	10,461	-	10,461
Inventory	357,821	-	357,821
Total current assets	2,410,298	222,494	2,632,792
Noncurrent:			
Capital assets:			
Capital assets, net of accumulated depreciation	2,914,921	-	2,914,921
Total noncurrent assets	2,914,921	-	2,914,921
Total Assets	5,325,219	222,494	5,547,713
Liabilities			
Current:			
Accounts payable	41,332	3,258	44,590
Accrued liabilities	12,640	-	12,640
Current portion of long-term liabilities:			
Compensated absences	9,108	-	9,108
Total current liabilities	63,080	3,258	66,338
Noncurrent:			
Compensated absences, net of current portion	81,968	-	81,968
Total noncurrent liabilities	81,968	-	81,968
Total Liabilities	145,048	3,258	148,306
Net Position			
Net investment in capital assets	2,850,072	-	2,850,072
Unrestricted	2,330,099	219,236	2,549,335
Total Net Position	\$ 5,180,171	\$ 219,236	\$ 5,399,407

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities Internal Service Funds		
	Fleet Fund	PC Replacement Fund	Total
Operating Revenues			
Charges for services	\$ 2,884,706	\$ 113,665	\$ 2,998,371
Other	<u>26,714</u>	<u>742</u>	<u>27,456</u>
Total Operating Revenues	2,911,420	114,407	3,025,827
Operating Expenses			
Salaries and benefits	940,382	-	940,382
Other operating expenses	1,227,465	86,637	1,314,102
Depreciation	<u>504,714</u>	<u>-</u>	<u>504,714</u>
Total Operating Expenses	<u>2,672,561</u>	<u>86,637</u>	<u>2,759,198</u>
Operating Income	238,859	27,770	266,629
Nonoperating Revenues (Expenses)			
Investment income	<u>63,328</u>	<u>10,845</u>	<u>74,173</u>
Total Nonoperating Revenues (Expenses), net	<u>63,328</u>	<u>10,845</u>	<u>74,173</u>
Change in Net Position	302,187	38,615	340,802
Net Position at Beginning of Year	<u>4,877,984</u>	<u>180,621</u>	<u>5,058,605</u>
Net Position at End of Year	<u>\$ 5,180,171</u>	<u>\$ 219,236</u>	<u>\$ 5,399,407</u>

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Activities Internal Service Funds		
	Fleet Fund	PC Replacement Fund	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 2,907,984	\$ 114,407	\$ 3,022,391
Payments to vendors	(1,303,442)	(85,039)	(1,388,481)
Payments to employees for salaries and benefits	<u>(921,997)</u>	<u>-</u>	<u>(921,997)</u>
Net Cash Provided By Operating Activities	682,545	29,368	711,913
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	<u>(228,398)</u>	<u>-</u>	<u>(228,398)</u>
Net Cash (Used For) Capital and Related Financing Activities	(228,398)	-	(228,398)
Cash Flows From Investing Activities			
Purchase of investments	(224,590)	-	(224,590)
Investment income	<u>63,328</u>	<u>10,845</u>	<u>74,173</u>
Net Cash Provided By (Used for) Investing Activities	<u>(161,262)</u>	<u>10,845</u>	<u>(150,417)</u>
Net Change in Cash and Short-Term Investments	292,885	40,213	333,098
Cash and Short-Term Investments, Beginning of Year	<u>844,703</u>	<u>182,281</u>	<u>1,026,984</u>
Cash and Short-Term Investments, End of Year	<u>\$ 1,137,588</u>	<u>\$ 222,494</u>	<u>\$ 1,360,082</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:			
Operating income	\$ 238,859	\$ 27,770	\$ 266,629
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	504,714	-	504,714
Changes in assets and liabilities:			
Accounts receivable	(3,436)	-	(3,436)
Inventory	(57,516)	-	(57,516)
Accounts payable	(18,461)	1,598	(16,863)
Accrued liabilities	<u>18,385</u>	<u>-</u>	<u>18,385</u>
Net Cash Provided By Operating Activities	<u>\$ 682,545</u>	<u>\$ 29,368</u>	<u>\$ 711,913</u>

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE

INTERNAL SERVICE FUNDS

SCHEDULE OF REVENUES, EXPENSES, AND
OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Fleet Fund</u>			<u>PC Replacement Fund</u>		
	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Revenues						
Charges for services	\$ 2,777,097	\$ 2,884,706	\$ 107,609	\$ 115,241	\$ 113,665	\$ (1,576)
Investment income	1,500	82,603	81,103	-	10,845	10,845
Other	<u>-</u>	<u>7,439</u>	<u>7,439</u>	<u>1,000</u>	<u>742</u>	<u>(258)</u>
Total Revenues	2,778,597	2,974,748	196,151	116,241	125,252	9,011
Expenses						
Salaries and benefits	676,892	665,122	11,770	-	-	-
Other operating expenses	1,521,930	1,502,725	19,205	104,197	86,637	17,560
Depreciation	<u>500,000</u>	<u>504,714</u>	<u>(4,714)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>2,698,822</u>	<u>2,672,561</u>	<u>26,261</u>	<u>104,197</u>	<u>86,637</u>	<u>17,560</u>
Other Financing Sources (Uses)						
Use (addition) of net position	<u>(79,775)</u>	<u>-</u>	<u>79,775</u>	<u>(12,044)</u>	<u>-</u>	<u>12,044</u>
Total Other Financing (Uses)	<u>(79,775)</u>	<u>-</u>	<u>79,775</u>	<u>(12,044)</u>	<u>-</u>	<u>12,044</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	\$ <u>-</u>	\$ <u>302,187</u>	\$ <u>302,187</u>	\$ <u>-</u>	\$ <u>38,615</u>	\$ <u>38,615</u>

See Independent Auditors' Report.

PRIVATE PURPOSE TRUST FUNDS

Private purpose trust funds are used to account for trust arrangements, other than those properly reported in a permanent fund, under which principal and investment income exclusively benefit individuals and private organizations.

The City of Keene has the following private purpose trust funds:

- Scholarship Fund: to account for the Frank Wright and Maurice Alger Scholarship Funds.
- Trust Fund: to account for parks, recreation, library, flower, flag, poor/indigent, and police and fire trust arrangements.

CITY OF KEENE, NEW HAMPSHIRE
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2023

	Fiduciary Funds Private Purpose Trust Funds		
	Scholarship Fund	Trust Fund	Total
Assets			
Investments:			
Corporate equities	\$ <u>2,052,070</u>	\$ <u>2,665,272</u>	\$ <u>4,717,342</u>
Total Investments	<u>2,052,070</u>	<u>2,665,272</u>	<u>4,717,342</u>
Total Assets	2,052,070	2,665,272	4,717,342
Net Position			
Restricted for individuals, organizations, and other governments	\$ <u><u>2,052,070</u></u>	\$ <u><u>2,665,272</u></u>	\$ <u><u>4,717,342</u></u>

See Independent Auditors' Report.

CITY OF KEENE, NEW HAMPSHIRE

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PRIVATE PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Fiduciary Funds Private Purpose Trust Funds		
	Scholarship Fund	Trust Fund	Total
Additions			
Investment income	\$ <u>161,733</u>	\$ <u>185,068</u>	\$ <u>346,801</u>
Total Additions	161,733	185,068	346,801
Deductions			
Payments to beneficiaries	<u>73,636</u>	<u>9,712</u>	<u>83,348</u>
Total Deductions	<u>73,636</u>	<u>9,712</u>	<u>83,348</u>
Change in Net Position	88,097	175,356	263,453
Restricted Net Position			
Beginning of year	<u>1,963,973</u>	<u>2,489,916</u>	<u>4,453,889</u>
End of year	\$ <u><u>2,052,070</u></u>	\$ <u><u>2,665,272</u></u>	\$ <u><u>4,717,342</u></u>

See Independent Auditors' Report.

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**STATISTICAL
SECTION**

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CITY OF KEENE, NEW HAMPSHIRE

STATISTICAL SECTION

The City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

	<u>Page</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	110
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	114
<i>Debt Capacity</i>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	119
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	122
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	124

City of Keene, New Hampshire

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 56,711,431	\$ 56,903,534	\$ 57,485,620	\$ 59,166,584	\$ 66,711,745	\$ 69,956,379	\$ 73,675,189	\$ 78,094,792	\$ 84,468,726	\$ 93,676,792
Restricted	8,181,255	8,451,104	9,138,862	11,757,799	9,833,924	11,404,883	10,925,796	9,113,807	8,633,071	9,439,212
Unrestricted	11,493,999	(15,389,928)	(16,519,232)	(17,115,229)	(20,126,396)	(21,426,686)	(18,811,632)	(11,006,794)	(7,646,384)	(5,957,520)
Total governmental activities net position	\$ 76,386,685	\$ 49,964,710	\$ 50,105,250	\$ 53,809,154	\$ 56,419,273	\$ 59,934,576	\$ 65,789,353	\$ 76,201,805	\$ 85,455,413	\$ 97,158,484
Business-type activities										
Net investment in capital assets	\$ 40,449,004	\$ 41,793,286	\$ 45,601,603	\$ 46,911,847	\$ 47,558,442	\$ 47,115,869	\$ 49,350,970	\$ 55,092,329	\$ 55,727,114	\$ 57,585,814
Unrestricted	17,180,651	15,184,011	14,630,415	14,425,082	14,473,134	15,870,281	14,968,960	7,341,694	9,832,009	9,697,813
Total business-type activities net position	\$ 57,629,655	\$ 56,977,297	\$ 60,232,018	\$ 61,336,929	\$ 62,031,576	\$ 62,986,150	\$ 64,319,930	\$ 62,434,023	\$ 65,559,123	\$ 67,283,627
Primary government										
Net investment in capital assets	\$ 97,160,435	\$ 98,696,820	\$ 103,087,223	\$ 106,078,431	\$ 114,270,187	\$ 117,072,248	\$ 123,026,159	\$ 133,187,121	\$ 140,195,840	\$ 151,262,606
Restricted	8,181,255	8,451,104	9,138,862	11,757,799	9,833,924	11,404,883	10,925,796	9,113,807	8,633,071	9,439,212
Unrestricted	28,674,650	(205,917)	(1,888,817)	(2,690,147)	(5,653,262)	(5,556,405)	(3,842,672)	(3,665,100)	2,185,625	3,740,293
Total primary government net position	\$ 134,016,340	\$ 106,942,007	\$ 110,337,268	\$ 115,146,083	\$ 118,450,849	\$ 122,920,726	\$ 130,109,283	\$ 138,635,828	\$ 151,014,536	\$ 164,442,111

Data Source:

Audited Financial Statements

City of Keene, New Hampshire

**Changes in Net Position
Last Ten Fiscal Years**
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 6,163,749	\$ 6,192,633	\$ 7,698,162	\$ 7,008,103	\$ 7,607,341	\$ 7,216,829	\$ 8,152,525	\$ 6,967,014	\$ 8,108,838	\$ 8,392,710
Public safety	12,861,971	11,522,512	13,841,925	15,922,427	15,588,700	16,193,749	17,665,400	16,275,916	16,508,376	17,284,288
Public works	11,505,399	12,030,608	14,272,374	12,342,448	10,207,597	11,239,823	9,635,462	9,540,493	9,470,615	10,653,218
Welfare and human services ⁽³⁾	1,584,798	1,678,845	1,594,633	1,600,241	1,757,686	801,566	747,728	587,322	-	-
Airport	569,217	854,783	1,084,668	1,312,906	1,313,506	1,298,840	1,396,849	1,512,705	1,481,211	1,388,252
Library	1,399,236	1,383,430	1,529,730	1,468,787	1,488,344	1,654,529	1,540,768	1,660,766	2,301,565	2,090,394
Community development	642,702	1,468,668	498,721	328,168	597,408	1,435,562	1,468,186	1,432,118	1,323,039	1,450,229
Parks and facilities	3,938,106	2,910,530	2,519,671	3,018,676	3,409,437	3,455,725	3,629,902	3,814,782	3,405,142	4,709,029
Interest	1,217,767	1,105,316	1,070,477	1,225,901	1,115,646	604,575	771,454	691,772	509,029	382,048
Total governmental activities expenses	39,882,945	39,147,325	44,110,361	44,227,657	43,085,665	43,901,198	45,008,274	42,482,888	43,107,815	46,350,168
Business-type activities:										
Water services	3,656,619	3,167,831	3,866,375	3,894,553	3,978,790	3,909,379	3,784,833	5,307,330	3,692,765	3,945,900
Sewer services	4,814,906	4,462,398	6,089,976	5,491,891	5,361,320	5,839,543	5,737,639	7,114,138	5,721,659	6,180,749
Total business-type activities expenses	8,471,525	7,630,229	9,956,351	9,386,444	9,340,110	9,748,922	9,522,472	12,421,468	9,414,424	10,126,649
Total primary government expenses	\$ 48,354,470	\$ 46,777,554	\$ 54,066,712	\$ 53,614,101	\$ 52,425,775	\$ 53,650,120	\$ 54,530,746	\$ 54,904,356	\$ 52,522,239	\$ 56,476,817
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 3,064,420	\$ 3,221,992	\$ 3,463,979	\$ 4,094,396	\$ 3,581,446	\$ 3,810,002	\$ 3,955,780	\$ 4,354,096	\$ 5,104,968	\$ 5,039,359
Public safety	2,159,403	2,230,916	2,214,391	2,550,657	3,137,231	2,762,013	2,363,133	2,042,176	2,934,793	2,952,044
Public works	4,979,808	4,985,725	4,951,189	5,333,948	5,305,390	5,590,770	5,380,272	5,701,437	6,399,994	6,170,917
Welfare and human services ⁽³⁾	234,734	313,247	314,710	324,824	71,202	18,843	22,279	22,185	-	-
Airport	52,823	50,106	54,689	416,709	441,208	444,018	426,562	425,023	439,583	506,085
Library	58,112	51,751	49,824	47,585	44,792	40,298	29,480	25,456	26,927	32,920
Community development	10,610	12,148	9,329	24,224	17,331	379,938	389,114	374,944	79,905	60,433
Parks and facilities	279,277	298,927	288,647	559,805	474,694	480,233	404,505	397,734	431,453	413,530
Operating grants and contributions	2,629,292	2,815,646	3,914,405	2,868,256	3,908,607	3,406,882	4,268,360	4,108,748	4,903,902	5,331,850
Capital grants and contributions	3,727,365	2,124,908	1,549,538	2,879,365	5,097,486	4,876,546	2,371,339	1,776,962	3,734,425	5,401,909
Total governmental activities program revenues	17,195,844	16,105,366	16,810,701	19,099,769	22,079,387	21,809,543	19,610,824	19,228,761	24,055,950	25,909,047
Business-type activities:										
Charges for services:										
Water	3,622,938	3,864,511	3,620,088	3,510,387	3,903,050	4,075,327	4,055,576	3,862,130	4,713,486	5,287,028
Sewer	5,911,507	6,186,269	6,268,834	6,221,802	6,129,002	6,017,723	6,035,085	6,006,167	6,303,111	6,206,187
Operating grants and contributions	1,401,132	176,929	141,079	551,152	-	-	34,500	37,881	8,200	500
Capital grants and contributions	109,881	-	2,995,426	-	677,271	220,561	390,293	584,248	1,735,426	365,521
Total business-type activities program revenues	11,045,458	10,227,709	13,025,427	10,283,341	10,709,323	10,313,611	10,515,454	10,490,426	12,760,223	11,859,236
Total primary government program revenues	\$ 28,241,302	\$ 26,333,075	\$ 29,836,128	\$ 29,383,110	\$ 32,788,710	\$ 32,123,154	\$ 30,126,278	\$ 29,719,187	\$ 36,816,173	\$ 37,768,283
Net (Expenses)/Revenue										
Governmental activities	\$ (22,687,101)	\$ (23,041,959)	\$ (27,299,660)	\$ (25,127,888)	\$ (21,006,278)	\$ (22,091,655)	\$ (25,397,450)	\$ (23,254,127)	\$ (19,051,865)	\$ (20,441,121)
Business-type activities	2,573,933	2,597,480	3,069,076	896,897	1,369,213	564,689	992,982	(1,931,042)	3,345,799	1,732,587
Total Primary government net expense	\$ (20,113,168)	\$ (20,444,479)	\$ (24,230,584)	\$ (24,230,991)	\$ (19,637,065)	\$ (21,526,966)	\$ (24,404,468)	\$ (25,185,169)	\$ (15,706,066)	\$ (18,708,534)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property tax	\$ 23,225,219	\$ 24,168,766	\$ 25,409,198	\$ 26,741,212	\$ 25,974,118	\$ 22,974,005	\$ 28,122,695	\$ 30,147,335	\$ 26,913,743	\$ 28,253,616
Payment in lieu of taxes ⁽²⁾	529,467	390,688	412,492	433,772	444,471	443,461	1,107,500	1,111,350	1,114,363	1,124,908
Penalties, interest and other taxes	519,493	497,483	500,916	644,611	953,911	337,501	639,756	316,837	310,650	268,300
Investment income (loss)	977,974	574,119	243,658	663,683	787,744	1,486,136	766,490	1,776,124	(622,230)	1,860,244
Miscellaneous	790,562	1,568,073	825,354	311,474	312,538	346,105	592,586	281,479	549,870	583,474
Transfers, net ⁽¹⁾	1,158,798	1,145,574	21,242	-	-	-	-	-	9,361	-
Permanent fund contributions	12,876	23,165	27,933	37,024	23,550	19,750	23,200	41,911	29,716	53,650
Total governmental activities	27,214,389	28,367,868	27,440,793	28,831,776	28,496,332	25,606,958	31,252,227	33,675,036	28,305,473	32,144,192
Business-type activities:										
Property tax	166,646	160,144	147,897	145,440	136,746	-	-	-	-	-
Investment income (loss)	42,667	46,625	47,112	62,580	93,411	389,885	340,798	35,561	(220,699)	264,914
Miscellaneous	-	-	635	-	-	-	-	1,117	-	-
Transfers, net ⁽¹⁾	(1,105,812)	(1,098,454)	(10,000)	-	-	-	-	-	-	-
Total business-type activities	(896,499)	(891,685)	185,644	208,020	230,157	389,885	340,798	36,778	(220,699)	264,914
Total primary government	\$ 26,317,890	\$ 27,476,183	\$ 27,626,437	\$ 29,039,796	\$ 28,726,489	\$ 25,996,843	\$ 31,593,025	\$ 33,711,714	\$ 28,084,774	\$ 32,409,106
Change in Net Position										
Governmental activities	\$ 4,527,288	\$ 5,325,909	\$ 141,133	\$ 3,703,888	\$ 7,490,054	\$ 3,515,303	\$ 5,854,777	\$ 10,420,909	\$ 9,253,608	\$ 11,703,071
Business-type activities	1,677,434	1,705,795	3,254,720	1,104,917	1,599,370	954,574	1,333,780	(1,894,364)	3,125,100	1,997,501
Total primary government	\$ 6,204,722	\$ 7,031,704	\$ 3,395,853	\$ 4,808,805	\$ 9,089,424	\$ 4,469,877	\$ 7,188,557	\$ 8,526,545	\$ 12,378,708	\$ 13,700,572

⁽¹⁾ In prior years, administrative costs were classified as transfers between the general fund and enterprise funds. Beginning in 2016, the administrative costs were allocated against each applicable function in each respective fund.

⁽²⁾ In prior years, payment in lieu of taxes were classified as property tax. Beginning in 2019, the payment in lieu of taxes were reported separately.

⁽³⁾ Beginning in 2022, welfare and human services were reported in general government.

City of Keene, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 363,483	\$ 341,018	\$ 362,095	\$ 699,572	\$ 640,262	\$ 94,085	\$ 98,793	\$ 91,188	\$ 145,737	\$ 228,335
Committed	3,423,762	3,517,742	3,380,255	3,968,918	4,661,196	5,049,191	5,607,279	6,718,919	7,793,600	8,899,052
Assigned	1,258,208	1,378,786	1,038,111	436,301	418,729	802,771	1,147,450	854,785	1,133,529	964,317
Unassigned	6,498,576	6,763,152	7,495,863	8,655,952	8,924,574	10,702,620	13,184,021	15,250,484	16,289,911	17,095,240
Total General Fund	<u>\$ 11,544,029</u>	<u>\$ 12,000,698</u>	<u>\$ 12,276,324</u>	<u>\$ 13,760,743</u>	<u>\$ 14,644,761</u>	<u>\$ 16,648,667</u>	<u>\$ 20,037,543</u>	<u>\$ 22,915,376</u>	<u>\$ 25,362,777</u>	<u>\$ 27,186,944</u>
Other Governmental Funds										
Nonspendable	\$ 6,104,692	\$ 5,659,081	\$ 5,585,419	\$ 5,881,176	\$ 5,317,971	\$ 5,935,014	\$ 5,668,799	\$ 6,978,188	\$ 6,578,574	\$ 7,071,850
Restricted	3,723,770	6,857,313	3,405,551	5,764,563	5,995,590	6,569,207	4,348,560	8,821,887	6,007,784	4,463,471
Committed	2,428,004	4,064,769	2,673,426	6,572,329	3,048,755	4,113,680	4,519,850	4,843,568	4,621,385	4,655,438
Unassigned	(68,306)	(2,890)	-	-	(1,611,338)	(188,045)	(322,641)	(861,872)	(628,351)	(3,210,542)
Total Other Governmental Funds	<u>\$ 12,188,160</u>	<u>\$ 16,578,273</u>	<u>\$ 11,664,396</u>	<u>\$ 18,218,068</u>	<u>\$ 12,750,978</u>	<u>\$ 16,429,856</u>	<u>\$ 14,214,568</u>	<u>\$ 19,781,771</u>	<u>\$ 16,579,392</u>	<u>\$ 12,980,217</u>

Data Source

Audited Financial Statements

City of Keene, New Hampshire

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property taxes	\$ 24,210,554	\$ 25,288,836	\$ 26,432,668	\$ 26,967,454	\$ 27,159,503	\$ 27,353,420	\$ 29,739,445	\$ 30,079,024	\$ 29,677,317	\$ 29,365,745
Charges for services	7,369,188	7,533,948	7,629,481	8,485,858	8,416,059	9,006,321	8,325,973	8,619,691	10,428,244	10,162,451
Intergovernmental	6,140,731	4,484,310	4,652,406	3,862,127	6,744,527	7,344,170	5,231,050	5,819,444	8,409,245	10,594,374
Licenses and permits	3,071,633	3,294,504	3,501,521	4,384,530	4,251,933	4,100,599	4,198,908	4,268,273	4,349,230	4,307,227
Investment income (loss)	972,289	593,061	237,109	657,924	775,538	1,447,812	732,077	1,771,746	(473,283)	1,786,070
Contributions	228,801	479,409	839,470	1,922,518	2,285,116	959,008	391,847	130,771	275,738	209,768
Miscellaneous	785,568	1,564,627	819,207	301,616	284,496	327,043	585,178	265,538	517,168	556,022
Total revenues	42,778,764	43,238,695	44,111,862	46,582,027	49,917,172	50,538,373	49,204,478	50,954,487	53,183,659	56,981,657
Expenditures by Function										
General government	5,107,881	5,410,852	6,287,467	6,180,882	6,552,501	6,268,348	7,090,007	6,702,003	8,129,207	9,004,490
Public safety	13,344,198	14,139,779	14,224,160	14,438,473	14,856,213	15,284,919	15,826,385	16,578,274	17,073,770	17,576,596
Public works	7,905,279	8,067,083	6,403,527	6,878,521	7,511,885	7,036,466	7,120,309	7,450,210	7,352,492	7,930,823
Welfare and human services*	1,628,021	1,752,376	1,671,546	1,665,998	1,742,081	801,363	747,620	720,163	-	-
Airport	551,662	549,447	573,307	614,617	625,712	638,408	650,399	723,501	664,605	590,242
Library	1,325,446	1,473,703	1,435,749	1,378,262	1,376,184	1,531,189	1,456,751	1,419,820	1,899,239	1,753,218
Community development	726,662	1,506,517	477,780	696,896	563,731	1,425,470	1,422,219	1,427,697	1,397,936	1,447,702
Parks and facilities	2,989,163	2,907,419	2,870,008	2,891,011	3,082,351	3,384,630	3,450,731	3,460,950	3,816,384	4,144,608
Debt service:										
Principal	4,282,772	4,250,422	4,922,760	5,958,531	4,561,262	4,150,325	4,453,075	7,152,485	4,282,485	3,357,734
Interest	1,191,789	1,086,337	1,070,867	1,025,032	979,711	965,706	965,498	802,118	703,612	570,131
Capital outlay	6,734,484	4,164,096	8,863,593	4,910,046	12,588,613	9,741,708	4,880,896	4,902,773	8,628,268	12,381,121
Miscellaneous	1,074	23,747	-	-	-	-	-	-	-	-
Total expenditures	45,788,431	45,331,778	48,800,764	46,638,269	54,440,244	51,228,532	48,063,890	51,339,994	53,947,998	58,756,665
Excess of revenues										
Over(under) expenditures	(3,009,667)	(2,093,083)	(4,688,902)	(56,242)	(4,523,072)	(690,159)	1,140,588	(385,507)	(764,339)	(1,775,008)
Other Financing Sources (Uses)										
Issuance of general obligation bonds	-	5,530,000	-	5,676,000	-	5,705,000	-	5,651,000	-	-
Issuance of refunding bonds	-	-	-	2,151,304	-	-	-	3,188,000	-	-
Bond premiums on general obligation bonds	-	-	-	821,082	-	667,943	-	-	-	-
Bond premiums on refunding bonds	-	-	-	253,002	-	-	-	-	-	-
Payment to escrow agent	-	-	-	(807,071)	-	-	-	-	-	-
Gain on refunding	-	-	-	-	-	-	-	-	-	-
Transfers in	3,808,287	3,481,201	2,340,391	2,802,014	8,166,582	2,746,683	3,300,257	3,566,358	2,353,227	3,460,605
Transfers out	(2,387,841)	(2,071,336)	(2,289,149)	(2,802,014)	(8,226,582)	(2,746,683)	(3,267,257)	(3,574,815)	(2,343,866)	(3,460,605)
Total other financing sources (uses)	1,420,446	6,939,865	51,242	8,094,317	(60,000)	6,372,943	33,000	8,830,543	9,361	-
Net Change in fund balances	\$ (1,589,221)	\$ 4,846,782	\$ (4,637,660)	\$ 8,038,075	\$ (4,583,072)	\$ 5,682,784	\$ 1,173,588	\$ 8,445,036	\$ (754,978)	\$ (1,775,008)
Debt Service as a percentage of non-capital outlay expenditures										
	13.60%	12.36%	13.25%	15.91%	13.11%	11.79%	12.34%	17.20%	10.94%	8.40%

* Beginning in 2022, welfare and human services were reported in general government.

Data Source
Audited Financial Statements

City of Keene, New Hampshire

General Government Tax Revenues by Source

Last Ten Fiscal Years

Fiscal Year	Property Taxes	Current Use Change Tax	Timber Tax	Excavation Tax	Motor Vehicle Registrations	Payment in Lieu of Taxes	Total
2023	\$ 26,669,277	\$ 67,050	\$ 73,498	\$ 6,075	\$ 3,411,114	\$ 1,124,908	\$ 31,351,922
2022	26,866,304	28,130	6,738	-	3,402,677	1,114,363	31,418,212
2021	27,308,757	1,200	13,442	-	3,456,635	1,111,350	31,891,384
2020	26,412,988	-	5,829	-	3,381,346	1,107,500	30,907,663
2019	24,864,983	-	5,660	-	3,278,216	443,461	28,592,320
2018	24,733,654	124,920	17,669	-	3,170,954	444,471	28,491,668
2017	24,742,331	-	20,875	-	3,128,771	433,772	28,325,749
2016	24,352,010	2,020	14,696	-	3,005,853	412,492	27,787,071
2015	23,352,375	22,380	20,160	-	2,792,019	390,688	26,577,622
2014	22,470,718	9,400	22,326	72	2,668,587	379,467	25,550,570

Data Source

Audited Financial Statements

Munis Object Codes 411050|411200|411150|441170|422150|411100

City of Keene, New Hampshire

Assessed and Estimated Full Value of Real Property Last Ten Fiscal Years

Fiscal Year	Local Assessed Value ⁽¹⁾				Less Exemptions to Assessed Value ⁽¹⁾	Total Taxable Assessed Value ⁽¹⁾	Total Direct Tax Rate per \$1,000 of Assessed Value	Estimated Full Value ⁽²⁾	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/Industrial	Utilities	Total Assessed Value					
2023	\$ 1,376,193,100	\$ 774,098,800	\$ 119,139,600	\$ 2,269,431,500	\$ 9,356,700	\$ 2,260,074,800	\$ 31.03	\$ 2,836,839,865	80.0%
2022	1,368,592,220	773,714,200	110,928,200	2,253,234,620	8,933,600	2,244,301,020	31.28	2,391,688,798	94.2%
2021	1,089,914,330	704,489,250	98,753,600	1,893,157,180	7,444,016	1,885,713,164	37.28	2,181,146,207	86.8%
2020	1,086,718,570	702,042,900	74,173,700	1,862,935,170	5,798,816	1,857,136,354	37.60	1,992,795,421	93.5%
2019	1,068,637,240	674,838,019	88,110,200	1,831,585,459	4,503,416	1,827,082,043	37.12	1,920,248,283	95.4%
2018	1,065,706,600	656,357,900	78,914,000	1,800,978,500	4,942,200	1,796,036,300	37.22	1,847,773,971	97.5%
2017	1,064,310,740	655,367,400	73,554,600	1,793,232,740	4,598,925	1,788,633,815	36.39	1,799,430,397	99.7%
2016	1,143,309,000	655,665,400	49,788,300	1,848,762,700	4,974,025	1,843,788,675	34.41	1,821,207,565	101.5%
2015	1,145,591,800	656,428,300	49,788,300	1,851,808,400	4,764,325	1,847,044,075	33.68	1,807,277,270	102.5%
2014	1,145,562,600	656,440,100	49,810,900	1,851,813,600	4,917,025	1,846,896,575	32.75	1,765,219,898	104.9%

Data Sources:

⁽¹⁾ State MS-1 Report of Assessed Values

⁽²⁾ NH Department of Revenue Administration's Annual Equalization Survey

City of Keene, New Hampshire

Property Tax Rates per \$ 1,000 of Assessed Value Direct and Overlapping Governments Last Ten Fiscal Years

Fiscal Year	City Direct Rates					Overlapping Rate	
	City	Local School	State School	Total School	Total Direct	County	Total
2023	\$ 12.31	\$ 14.38	\$ 1.21	\$ 15.59	\$ 27.90	\$ 3.13	\$ 31.03
2022	12.31	14.02	1.67	15.69	28.00	3.28	31.28
2021	14.81	16.54	2.07	18.61	33.42	3.86	37.28
2020	14.81	16.68	2.14	18.82	33.63	3.97	37.60
2019	14.36	16.64	2.21	18.85	33.21	3.91	37.12
2018	14.06	17.26	2.36	19.62	33.68	3.54	37.22
2017	14.02	16.36	2.43	18.79	32.81	3.58	36.39
2016	13.42	15.28	2.35	17.63	31.05	3.36	34.41
2015	12.93	15.04	2.39	17.43	30.36	3.32	33.68
2014	12.44	14.60	2.44	17.04	29.48	3.27	32.75

Data Source

NH State Department of Revenue Administration, "Tax Rate Calculation"

City of Keene, New Hampshire
Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	Tax Year 2022		Percentage of Total Assessed Value	Tax Year 2013		Percentage of Net Assessed Value
		Net Taxable Assessed Value	Rank		Net Taxable Assessed Value	Rank	
Eversource (formerly PSNH)	Utility	\$101,527,500	1	4.47 %	\$46,458,300	1	2.46 %
Keene MZL LLC (formerly MB Keene Monadnock LLC)	Retail/Commercial Space	30,752,900	2	1.35	31,675,600	2	1.68
Riverside Improvements LLC	Retail/Commercial Space	21,279,100	3	0.94	23,562,600	3	1.25
Realties Inc/Ellis Robertson	Retail/Commercial Space	19,592,210	4	0.86	20,256,900	4	1.07
Target Corporation	Retail/Commercial Space	14,713,000	6	0.65	14,679,100	5	0.78
480 West Street LLC	Retail/Commercial Space	14,478,900	5	0.64	14,353,200	6	0.76
Washington Park of Keene LLC	Apartments/Mixed Use	14,263,100	9	0.63			0.00
AH Keene LLC	Elderly Housing	13,226,200	8	0.58			0.00
Tanglewood Park Cooperative, Inc.	Manufactured Home Park	13,215,000	7	0.58			0.00
149 Emerald Street LLC	Retail/Commercial Space	12,382,000	10	0.54			0.00
Total Principal Taxpayers		255,429,910		11.24 %	150,985,700		8.01 %
Total Net Assessed Taxable Value		\$ 2,273,081,865			\$ 1,884,924,600		

Data Source
City of Keene Tax Warrant

City of Keene, New Hampshire

Property Tax Levies and Collections

Last Ten Fiscal Years

Tax Year ⁽¹⁾	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Tax lien Collections	Balance at end of Current Fiscal Year	Total Collections to Date	
		Amount	% of Levy			Amount	% of Levy
2022	69,623,881	68,615,533	98.55%	-	983,261	68,615,533	98.55%
2021	69,683,746	68,997,336	99.01%	244,754	428,111	69,242,090	99.37%
2020	69,829,870	68,473,089	98.06%	158,435	183,959	68,631,524	98.28%
2019	69,371,848	67,645,277	97.51%	77,185	66,517	67,722,462	97.62%
2018	69,267,152	67,971,414	98.13%	7,938	12,821	68,173,431	98.42%
2017	68,166,295	66,968,501	98.24%	5,542	-	67,379,570	98.85%
2016	66,236,957	65,229,896	98.48%	-	-	65,229,896	98.48%
2015	64,484,906	63,554,757	98.56%	-	-	63,963,378	99.19%
2014	63,162,701	62,099,707	98.32%	-	-	63,043,025	99.81%
2013	61,244,506	60,490,420	98.77%	-	-	60,976,828	99.56%

⁽¹⁾ Fiscal year 2023 is the City's tax year 2022.

Data Source:

Audited Internal Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

Notes:

The data presented above represents information for taxes collected for City services.

It includes taxes raised for School District and the County.

Once a lien is executed a taxpayer has 2 years and 1 day to redeem the taxes before a Deed is executed.

City of Keene, New Hampshire

Ratios of Outstanding Debt by Debt Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Per Capita	Percentage of Personal Income	Percentage of Estimated Actual Taxable Value of Property	Population	Taxes Raised	Median Per Household Per Capita Inc	Actual Taxable Value of Property
	General Obligation Bonds	Tax Increment Financing Bonds	Capital Leases	General Obligation Bonds	Tax Increment Financing Bonds									
	2023	\$ 14,987,188	\$ 1,780,000	\$ -	\$ 6,127,812	\$ -								
2022	18,968,327	1,987,000	-	9,398,107	-	-	30,353,434	1,314	2.29%	1.35%	23,106	69,683,746	57,393	2,244,301,020
2021	22,855,014	2,557,000	-	11,213,188	-	-	36,625,202	1,589	2.79%	1.94%	23,047	69,829,870	56,971	1,885,713,164
2020	20,711,701	3,120,000	-	9,570,609	-	-	33,402,310	1,455	2.55%	1.79%	22,953	69,371,848	56,971	1,862,926,070
2019	24,713,978	4,465,000	-	11,178,824	-	-	40,357,802	1,750	3.16%	2.21%	23,056	69,267,152	55,398	1,827,082,043
2018	22,040,562	5,090,000	92,417	11,347,223	-	-	38,570,202	1,681	3.14%	2.15%	22,949	68,166,295	53,499	1,796,036,300
2017	25,918,232	5,881,000	182,257	13,032,258	-	-	45,013,747	1,923	3.65%	2.52%	23,403	66,236,957	52,636	1,788,633,815
2016	25,638,281	3,998,438	255,752	13,917,817	271,562	-	44,081,850	1,893	3.62%	2.39%	23,281	64,484,906	52,327	1,843,788,675
2015	29,898,542	4,660,937	341,054	9,301,462	409,063	-	44,611,058	1,916	3.66%	2.42%	23,281	63,162,701	52,327	1,847,044,075
2014	27,959,901	5,320,000	57,893	8,683,308	550,000	-	42,571,102	1,829	3.49%	2.31%	23,281	61,244,506	52,327	1,846,896,575

Data Sources:
Audited Financial Statements
U.S. Census Bureau
Assessors Department MS-1 Report
NH Employment Security

City of Keene, New Hampshire

Computation of Overlapping Debt by Debt Type
Last Ten Calendar Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Direct Debt:										
City of Keene										
Net General Obligation Debt Outstanding	\$ 33,279,901	\$ 34,559,479	\$ 29,636,719	\$ 31,799,232	\$ 27,130,562	\$ 29,178,978	\$ 23,831,701	\$ 25,412,014	\$ 20,955,327	\$ 16,767,188
Percentage Applicable to Government	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ 33,279,901	\$ 34,559,479	\$ 29,636,719	\$ 31,799,232	\$ 27,130,562	\$ 29,178,978	\$ 23,831,701	\$ 25,412,014	\$ 20,955,327	\$ 16,767,188
Subtotal Direct Debt	\$ 33,279,901	\$ 34,559,479	\$ 29,636,719	\$ 31,799,232	\$ 27,130,562	\$ 29,178,978	\$ 23,831,701	\$ 25,412,014	\$ 20,955,327	\$ 16,767,188
Overlapping Debt:										
Cheshire County										
Net General Obligation Debt Outstanding	\$ 28,040,000	\$ 26,075,096	\$ 28,040,000	\$ 46,095,000	\$ 49,585,000	\$ 46,000,000	\$ 48,855,000	\$ 45,000,000	\$ 43,722,608	\$ 40,274,005
Percentage Applicable to Government*	26.11%	26.44%	26.11%	26.18%	25.40%	25.42%	24.83%	25.17%	25.16%	23.87%
Amount Applicable to Government	\$ 7,321,244	\$ 6,894,516	\$ 7,321,244	\$ 12,067,671	\$ 12,593,648	\$ 11,694,258	\$ 12,130,697	\$ 11,326,500	\$ 11,000,608	\$ 9,613,405
Keene Union School District										
Net General Obligation Debt Outstanding	\$ 35,196,745	\$ 29,421,201	\$ 32,263,902	\$ 26,666,003	\$ 24,109,630	\$ 21,630,370	\$ 19,225,934	\$ 17,767,250	\$ 16,376,399	\$ 16,774,875
Percentage Applicable to Government	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Applicable to Government	\$ 35,196,745	\$ 29,421,201	\$ 32,263,902	\$ 26,666,003	\$ 24,109,630	\$ 21,630,370	\$ 19,225,934	\$ 17,767,250	\$ 16,376,399	\$ 16,774,875
Subtotal Overlapping Debt	\$ 42,517,989	\$ 36,315,717	\$ 39,585,146	\$ 38,733,674	\$ 36,703,278	\$ 33,324,628	\$ 31,356,631	\$ 29,093,750	\$ 27,377,007	\$ 26,388,280
Grand Total	\$ 75,797,890	\$ 70,875,196	\$ 69,221,865	\$ 70,532,906	\$ 63,833,840	\$ 62,503,606	\$ 55,188,332	\$ 54,505,764	\$ 48,332,334	\$ 43,155,468

* The percentage applicable to the City is based on its proportionate share of the Cheshire County's annual apportionment for each respective fiscal year.

Data Source:
Audited financial statements, Cheshire County, and Keene Union School District

City of Keene, New Hampshire

Ratios of Long Term Debt Outstanding and Legal Debt Limits
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Base Value for Debt Limits ⁽¹⁾	\$ 1,819,399,000	\$ 1,819,399,000	\$ 1,758,640,000	\$ 1,738,800,000	\$ 1,792,296,603	\$ 1,840,121,797	\$ 1,920,248,283	\$ 1,992,795,421	\$ 2,181,146,207	\$ 2,430,594,340	2,791,281,392
Legal Debt Limits (% of Base Value)											
General - 1.75% thru 1998, 3% 1999 on ⁽²⁾	\$ 54,582,000	\$ 54,582,000	\$ 52,759,000	\$ 52,164,000	\$ 53,768,898	\$ 55,203,654	\$ 57,192,053	\$ 59,783,863	\$ 65,434,386	\$ 72,917,830	\$ 83,738,442
Parking - 0.05%	9,097,000	9,097,000	8,798,000	8,694,000	8,961,483	9,200,609	9,532,009	9,963,977	10,905,731	12,152,972	13,956,407
Water - 10% (2)	181,940,000	181,940,000	175,864,000	173,880,000	179,229,660	184,012,180	190,640,177	199,279,542	218,114,621	243,059,434	279,128,139
	\$ 245,619,000	\$ 245,619,000	\$ 237,421,000	\$ 234,738,000	\$ 241,960,041	\$ 248,416,443	\$ 257,364,239	\$ 269,027,382	\$ 294,454,738	\$ 328,130,236	\$ 376,822,988
Issued Debt at June 30											
Total Issued Debt at June 30	\$ 45,738,000	\$ 42,513,000	\$ 44,270,000	\$ 43,826,000	\$ 43,864,814	\$ 37,618,517	\$ 39,004,793	\$ 32,943,505	\$ 35,620,597	\$ 29,523,031	\$ 22,895,000
Less Water Fund	(818,956)	(1,456,876)	(1,203,752)	(987,122)	(1,769,366)	(1,459,584)	(1,273,569)	(1,084,986)	(2,620,788)	(2,309,929)	(2,075,000)
Less Sewer Fund ⁽³⁾	(6,665,364)	(7,226,432)	(8,097,707)	(12,930,695)	(11,262,892)	(9,887,639)	(9,905,255)	(8,485,623)	(8,592,400)	(7,088,178)	(4,052,812)
Less TIF, Parking, Landfill ⁽³⁾	(6,935,853)	(6,106,296)	(6,031,019)	(5,115,740)	(6,113,675)	(5,274,000)	(4,865,500)	(3,462,000)	(3,522,000)	(2,482,000)	(2,115,000)
	31,317,827	27,723,396	28,937,522	24,792,443	24,718,881	20,997,294	22,960,469	19,910,896	20,885,409	17,642,924	14,652,188
Authorized Unissued at June 30											
Total Authorized Unissued Debt at June 30	9,715,000	11,860,000	8,863,000	12,706,000	135,000	7,258,500	4,699,000	8,891,000	2,949,000	8,217,000	8,217,000
Less Water Fund	(780,000)	-	-	-	-	-	-	-	-	(2,433,000)	(2,433,000)
Less Sewer Fund ⁽³⁾	(8,175,000)	(7,495,000)	(6,690,000)	(6,045,000)	-	(1,350,000)	(1,727,000)	(1,727,000)	-	-	-
Less TIF, Parking, Landfill ⁽³⁾	(760,000)	(760,000)	(105,000)	(105,000)	-	(250,000)	(168,000)	(1,681,000)	-	-	-
Total Debt Subject to general limit	\$ 31,317,827	\$ 31,328,396	\$ 31,005,522	\$ 31,348,443	\$ 24,853,881	\$ 26,655,794	\$ 25,764,469	\$ 25,393,896	\$ 23,834,409	\$ 23,426,924	\$ 20,436,188
Legal Debt Margin											
General	\$ 23,264,173	\$ 23,253,604	\$ 21,753,478	\$ 20,815,557	\$ 28,915,017	\$ 28,547,860	\$ 31,427,584	\$ 34,389,967	\$ 41,599,977	\$ 49,490,906	\$ 63,302,254
Water Fund	\$ 180,341,044	\$ 180,483,124	\$ 174,660,248	\$ 172,892,878	\$ 177,460,294	\$ 182,552,596	\$ 189,366,608	\$ 198,194,556	\$ 215,493,833	\$ 238,316,505	\$ 274,620,139
% of Legal Debt Limits Used											
General	57.4%	57.4%	58.8%	60.1%	46.2%	48.3%	45.0%	42.5%	36.4%	32.1%	24.4%
Water Fund	0.9%	0.8%	0.7%	0.6%	1.0%	0.8%	0.7%	0.5%	1.2%	2.0%	1.6%

Data Source
Audited Financial Statements

Notes:

- ⁽¹⁾ Base Value for Debt Limits computed by the NH Department of Revenue Administration
- ⁽²⁾ Legal debt limit percentage rates set by NH State statute
- ⁽³⁾ Debt exempt from Debt limits consists of Landfills, Tax Increment Financing and Sewer debt.

City of Keene, New Hampshire

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Income	Unemployment Rate
2023	22,774 *	\$ 864,683	\$ 37,968 **	1.90% ***
2022	23,106	743,528	32,179	2.60%
2021	23,047	714,296	30,993	3.20%
2020	22,953	711,382	30,993	9.20%
2019	23,056	709,410	30,769	2.70%
2018	22,949	684,110	29,810	2.80%
2017	23,406	697,733	29,810	2.80%
2016	23,281	593,037	25,473	2.60%
2015	23,281	593,037	25,473	3.10%
2014	23,281	593,037	25,473	4.00%

*Based on U.S. Census Bureau Quick Facts: Keene, NH Population estimates July 1, 2022

** Based on US Census Bureau

*** Unemployment rate is based on June of every year and is not seasonally adjusted

City of Keene, New Hampshire
Principal Employers
Current Year and Nine Years Ago

Employer	2023			approx	2014		
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment
Cheshire Medical Center/Dartmouth Hitchcock - Keene	1,531	1	13.78%		1,400	1	11.31%
C & S Wholesale Grocers	1,200	2	10.80%		850	3	6.87%
Keene School District	845	3	7.61%		800	4	6.46%
Keene State College	687	4	6.19%		929	2	7.51%
Markem-Imaje Corporation	400	5	3.60%		400	6	3.23%
City of Keene	360	6	3.24%		316	8	2.55%
Smith Industrial Medical Systems	350	7	3.15%		481	5	3.89%
National Grange Mutual Insurance	311	8	2.80%		325	7	2.63%
Timken Super Precision	267	9	2.40%		303	9	2.45%
Janos Technologies	75	10	0.68%				
Total Principal Employers	6,026		54.25%		5,804		46.89%
Total City Employment	11,107 *				12,377 *		

Data Source

Final Official Statements for City of Keene bond issues and information provided by City's Economic Development Dept or Annual Report

* Based on labor force residing in Keene - NHDES 2022

City of Keene, New Hampshire

City Government Employees by Function - Full Time Equivalents Last Ten Fiscal Years

Departments	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
City Manager	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	5.00	4.00
City Attorney	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
City Clerk	5.59	5.59	5.59	5.59	5.59	5.59	5.59	5.59	5.59	5.59	5.89
Assessment	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Finance	14.18	14.18	15.18	15.18	15.18	15.18	15.18	15.18	15.18	17.08	15.18
Human Resources	2.80	2.80	2.80	2.80	2.91	3.00	3.00	3.00	3.00	3.50	3.67
Information Technology	6.80	6.90	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00
General Government	38.37	38.47	38.57	38.57	38.68	39.77	39.77	39.77	39.77	44.17	42.74
Fire	45.80	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00
Police	54.53	52.75	55.75	55.75	53.75	56.75	56.75	56.75	56.75	56.75	56.75
Community Development	12.04	12.88	13.24	12.74	13.24	13.24	12.91	12.91	12.50	12.50	12.20
Parking	5.70	6.39	5.42	5.33	5.10	5.12	6.86	6.86	6.86	4.25	4.70
Public Safety	118.07	118.02	120.41	119.82	118.09	121.11	122.52	122.52	122.11	119.50	119.65
Public Works	29.12	28.04	26.38	26.21	26.33	27.43	28.73	28.73	28.73	28.73	33.00
Solid Waste	7.38	7.85	7.58	7.77	10.17	10.27	10.27	10.27	10.27	10.27	10.60
Fleet Services	6.25	6.29	6.29	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.00
Public Works	42.75	42.18	40.25	40.23	42.75	43.95	45.25	45.25	45.25	45.25	49.60
Human Services	3.04	3.53	2.71	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64
Youth Services	1.76	1.39	1.10	1.27	1.27	1.00	1.00	1.00	1.00	1.00	1.00
Welfare and human services	4.80	4.92	3.81	3.91	3.91	3.64	3.64	3.64	3.64	3.64	3.64
Airport	2.00	2.00	2.00	2.80	2.80	2.80	3.00	3.00	3.00	4.00	3.00
Library	10.00	8.00	8.00	9.44	10.07	10.74	11.26	11.26	11.26	11.26	11.36
Parks and facilities	16.04	17.24	16.25	15.95	15.30	16.24	19.09	19.09	19.09	21.65	20.68
Water	8.59	11.34	12.03	12.03	12.00	11.48	12.61	12.61	12.61	12.61	8.00
Sewer	14.66	15.99	15.30	15.22	13.24	14.77	15.63	15.63	15.63	15.63	12.00
Grand Totals	255.28	258.16	256.62	257.97	256.84	264.50	272.77	272.77	272.36	277.71	270.67

City of Keene, New Hampshire

Operating Indicators by Function

Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Number of police calls answered	32,723	31,567	29,382	29,688	29,796	28,706	27,615	27,614	31,140	29,892
Traffic violations	3,114	4,814	5,848	5,425	6,219	5,260	7,963	5,378	3,918	3,360
Parking violations	18,879	19,079	21,776	25,686	30,461	21,791	14,542	14,536	15,038	14,878
Total Offenses Reported (prior calendar year basis)										
Group A	2,615	2,327	2,181	1,926	1,875	1,606	1,574	1,513	1,499	1,706
Group B	1,303	1,243	1,181	1,856	3,851	1,876	1,681	1,612	1,631	1,425
Fire and Rescue										
Calls answered	4,152	4,543	4,865	4,865	4,767	4,837	4,985	4,664	5,421	5,758
False alarms	17	24	21	64	15	42	16	22	27	485
Patients treated and transported	2,025	2,274	2,456	2,480	2,413	2,403	2,327	2,164	2,548	2,733
Patients treated only	327	289	228	222	38	1	12	16	22	36
Water										
Average daily consumption (in thousands of gallons)	1,602	1,519	1,516	1,415	1,411	1,432	1,408	1,325	1,725	1,434
Maximum daily capacity in gallons(safe yield but maximum daily capacity 6MGD)	5.4MGD	5.4MGD	5.4MGD	5.4MGD	5.4MGD	5.4MGD	5.4MGD	5.4MGD	5.4MGD	5.4MGD
Sewer										
Daily average treatment (in thousands of gallons)	3,400	2,840	2,370	2,290	2,780	2,953	2,190	2,192	2,222	2,250
Maximum daily capacity in gallons(avg daily flow but designed for 21MGD)	5.38MGD	5.38MGD	5.38MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD	6.0MGD

Data Source

Various city departments

City of Keene, New Hampshire

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	10	10	10	10	10	10	10	10	10	10
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of ladder trucks	2	2	2	2	2	2	2	2	2	2
Number of pumpers	3	3	4	4	3	3	3	3	3	3
Number of support vehicles	5	5	5	5	5	5	5	7	7	7
Public works										
Miles of streets	126	126	126	126	126	126	126	123	123	127
Number of traffic lights (in sets)	*	*	*	13	13	13	13	12	12	12
Number of street lights ⁽¹⁾	1,515	1,515	1,515	1,515	1,155	1,150	1,150	1,140	1,200	1,150
Parks & facilities										
Number of parks	16	16	16	16	16	16	16	16	16	16
Swimming pools	2	2	2	2	2	2	2	2	2	2
Recreation areas ⁽²⁾	8	8	8	8	8	8	8	9	9	9
Miles of maintained trails	*	*	*	8	8.2	8	8	8	8	8
Water										
Water main (miles)	109	123	124	124	124	124	124	102.1	102.1	102.1
Maximum daily capacity (in thousands of gallons)	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	5,400	5,400
Sewer										
Sanitary sewers (miles)	105	100	106	106	106	94.2	94.2	94.2	94.2	94.2
Maximum daily capacity of treatment (in thousands of gallons) (avg daily flow but designed for 21MGD)	5,380	5,380	5,380	6,000	6,000	6,000	6,000	6,000	6,000	6,000

⁽¹⁾ In prior years, the number of street lights were incorrectly entered. All years have been subsequently updated.

⁽²⁾ Includes Tennis Courts, Skate Park, Basketball Courts, Pickleball courts etc.

Data Source

Various city departments

* Data unavailable